May 6, 1985 THREE DOLLARS

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Forbes

ELECTRONIC INVESTING

JUST ANOTHER COMPUTER GAME?

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MICHAEL WALDMAN
5114 HAMPDEN LANE
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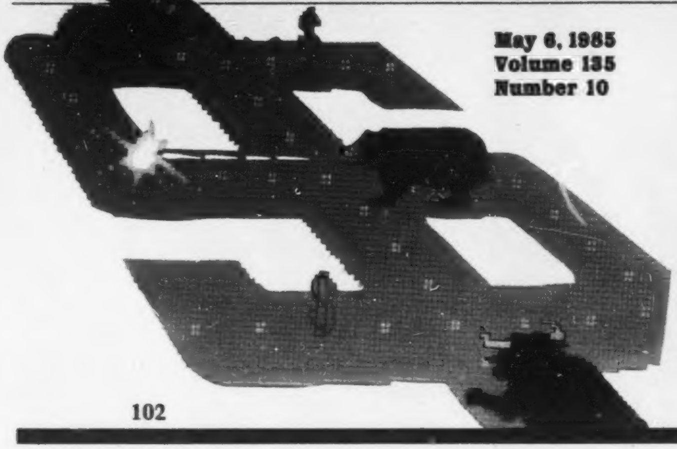
Forbes

May 6, 1985
Volume 135
Number 10



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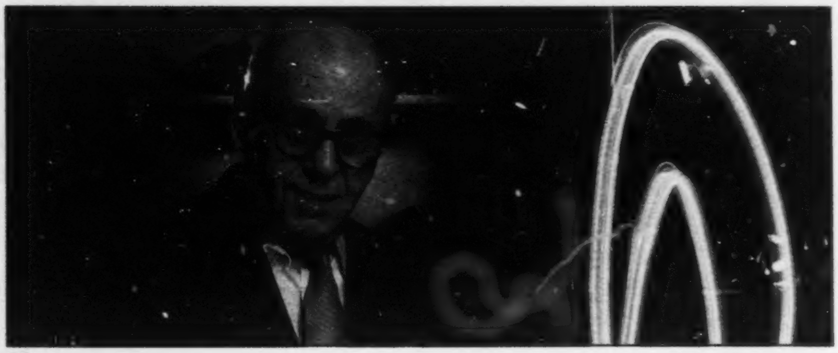

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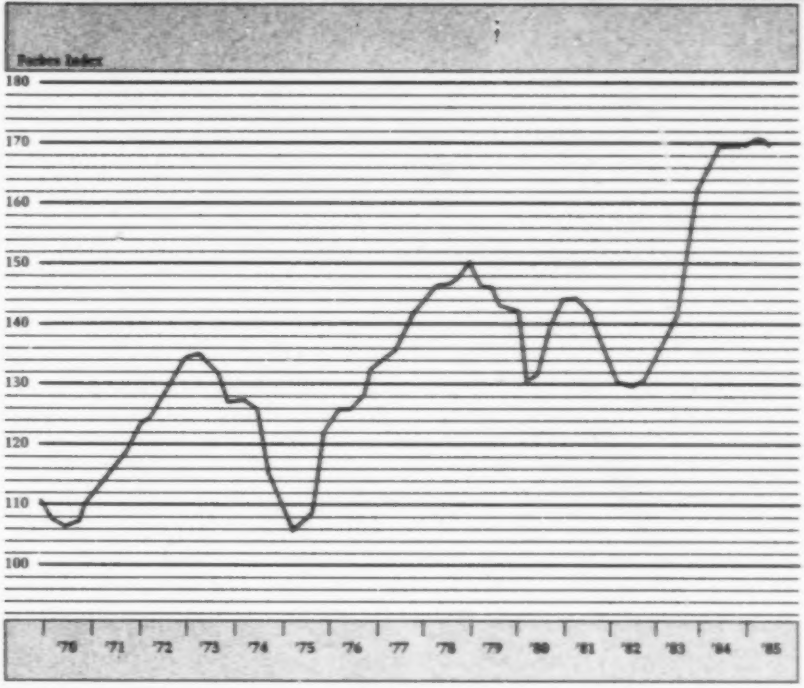
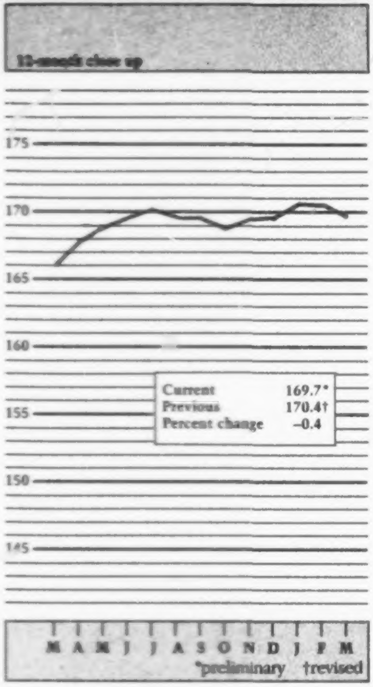
Cover illustration by Richard Newton

The Forbes Index





*preliminary †revised

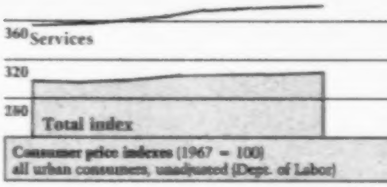
A sharp drop. The Forbes Index, which has been on the decline since February, fell 0.4% in the latest reporting period. This is the sharpest drop since last October. The principal culprit for the latest setback is a 1.9% month-to-month decline in retail sales. The reduced sales figure may not be as bad as it seems, however, because month-earlier figures showed a fairly healthy 1.6% gain.

There were a few bits of good news. Manufacturers' inventories were up 0.1% from month-earlier figures. With such modest growth, inventories are likely to be less dangerously high when the economy slows down than they have been in past cycles. And new unemployment claims fell 3.5% from the previous month. This was the first month-to-month decline since the start of the year.

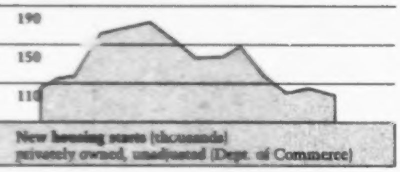
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

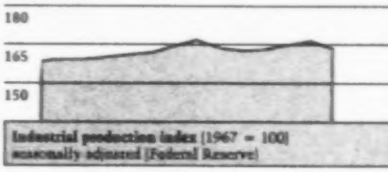
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



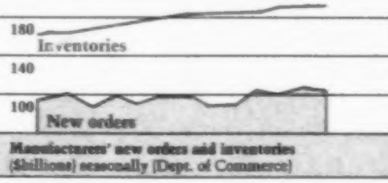
Consumer price indexes (1967 = 100) all urban consumers, unadjusted (Dept. of Labor)



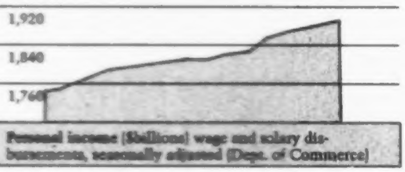
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



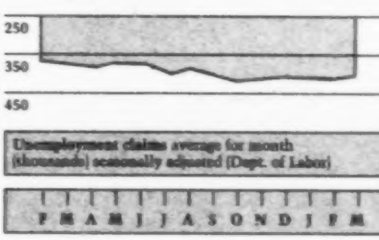
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



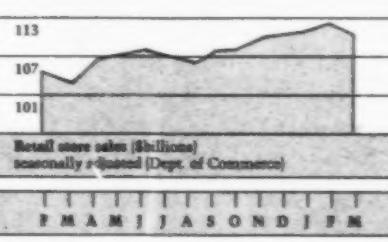
Manufacturers' new orders and inventories ($billions) seasonally (Dept. of Commerce)



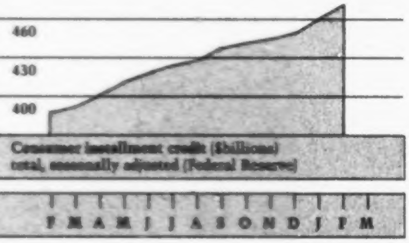
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



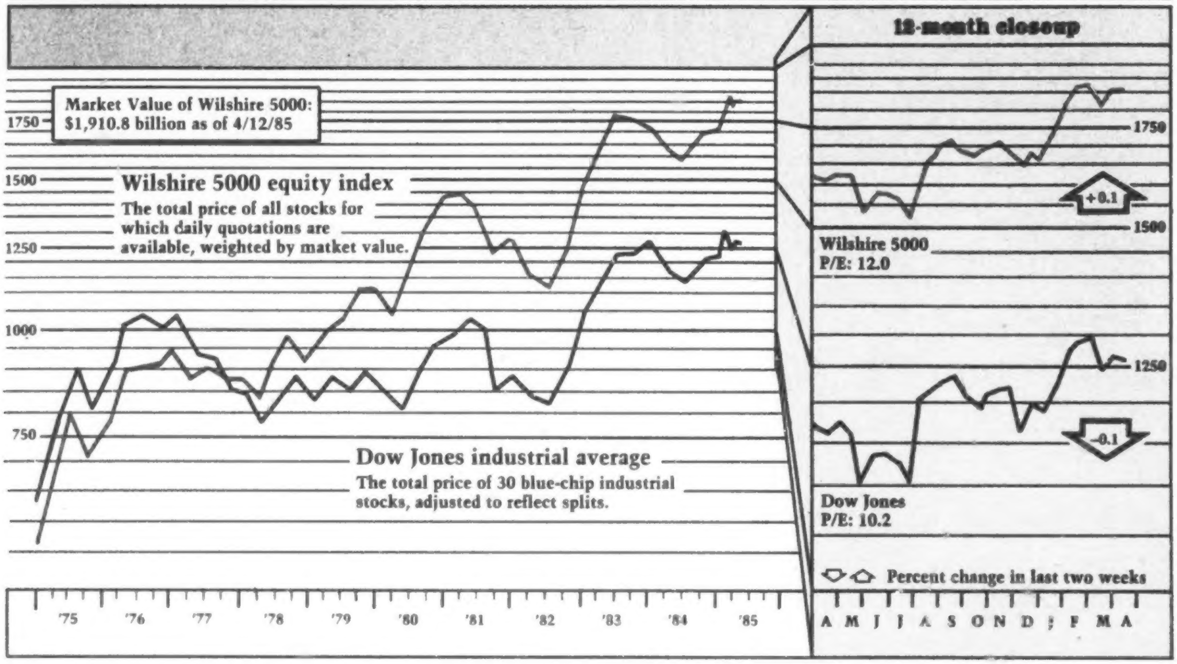
Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



A sleepy market kept awake by takeover battles. Had it not been for a dozen or so firms fending off prospective acquirers, life would have been fairly dull on Wall Street. After its blistering pace during the first two months of the year, Big Board trading volume settled down to a range of 80 million to 108 million shares a day during the first half of April. Since early March the Dow industrials have been boxed in between the 1240 and the 1280 zones. The Dow ended the recent two-week period with a 0.1% decline, while the NYSE composite was virtually unchanged. The Forbes Sales 500 declined 0.2%. Smaller companies fared slightly better: The Amex was up 0.4% and the Nasdaq gained 0.5%. The relative strength of smaller issues offset the weakness in big-capitalization stocks, and the overall market, as measured by the Wilshire index, eked out a 0.1% advance.

Close-up On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	2.0	1.9	1.5	2.1	3.2	1.0
in last 52 weeks	15.7	16.3	10.0	15.6	11.6	15.0

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	3.1	–1.3	–0.1	2.7	–0.5	1.5	2.8	–0.1	–0.4	3.4	2.6	–1.2
in last 52 weeks	18.5	9.0	13.4	26.4	4.8	26.4	24.9	16.4	12.6	28.7	25.4	0.5

[1] Based on sales.
[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

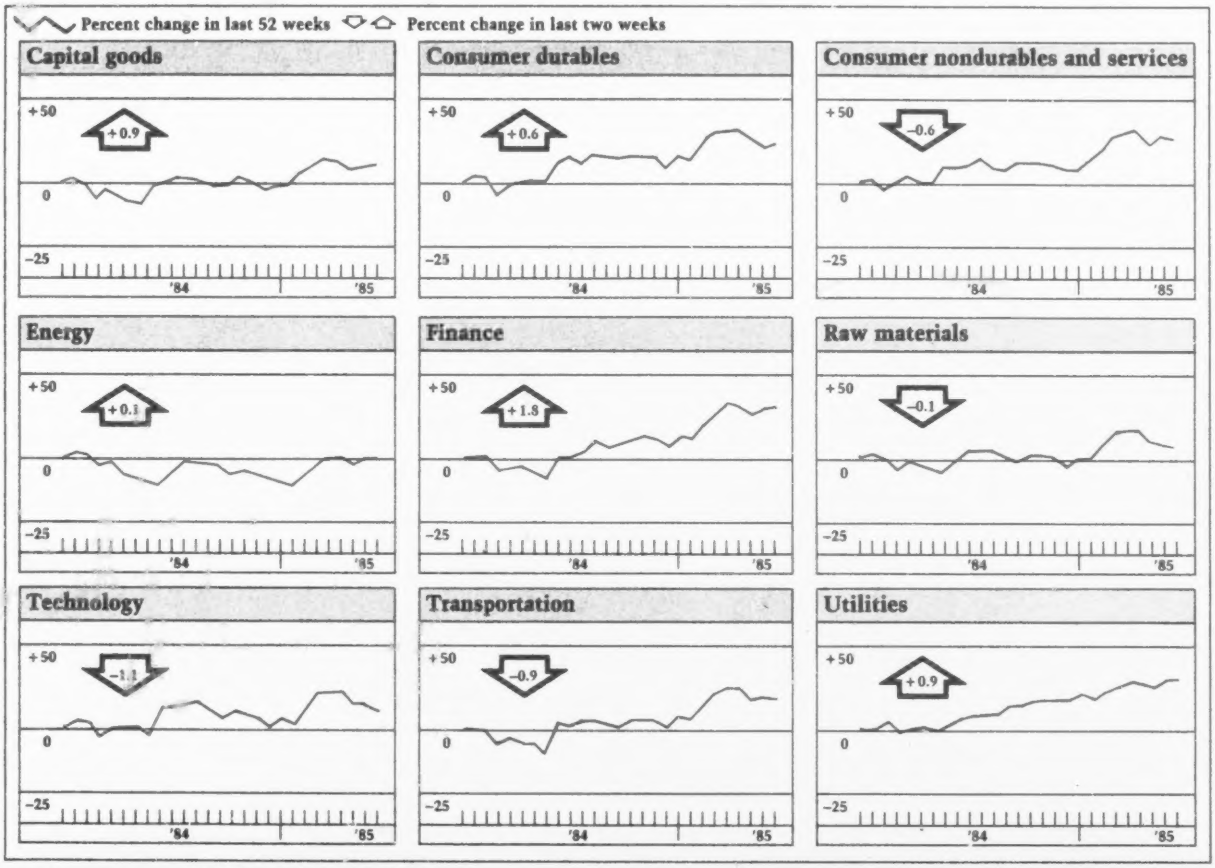
Note: All data for periods ending 4/12/85. Prepared by Wilshire Associates, Santa Monica, Calif.

Kenneth Alcorn

Where The Action Is

What bad news? Despite the troubles of S&Ls in Ohio and the losses faced by other thrifts in the collapse of Bevill, Bresler & Schulman companies, dealers in government securities, the finance sector registered the best two-week performance, with a 1.8% increase. Tied for second place, with gains of 0.9%, were the capital goods and utilities sectors. Many utility issues have hit 52-week highs recently. The other groups to register gains were consumer durables, up 0.6%, and energy, up 0.1%.

Technology shares resumed their drift downward, with a 1.1% decline. Disappointing figures for retail sales did not help the consumer nondurables sector, which registered the second-worst performance, with a 0.6% decline. Transportation and raw materials also lost ground.



What The Analysts Think

Profits and prices. The two groups with the best two-week market performance, utilities and finance, also show the smallest drops in 1985 earnings estimates. The worst-performing sector, technology, is ranked next-to-last on the 1985 estimate change list. During the last two weeks analysts cut their forecasts for this sector by 1.4%.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.68	10.6
1985 estimates	4.35	9.0
1986 estimates	4.93	8.0

Rank based on change in estimate	Sector	Estimated 1985 EPS	Estimated 1985 P/E	% change in 1985 estimate in 2 weeks	% change in 1985 estimate in 4 weeks
1	Utilities	$3.60	7.3	–0.13%	–0.21%
2	Finance	3.49	9.2	–0.15	–0.11
3	Capital goods	2.95	11.2	–0.23	–1.31
4	Energy	3.69	8.2	–0.65	–1.68
5	Consumer nondurables	2.67	11.4	–0.78	–1.36
6	Transportation	3.22	9.0	–0.84	–1.37
7	Consumer durables	4.79	8.6	–1.10	–1.06
8	Technology	2.98	12.0	–1.39	–2.87
9	Raw materials	2.41	10.2	–1.95	–4.11

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 4/12/85. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

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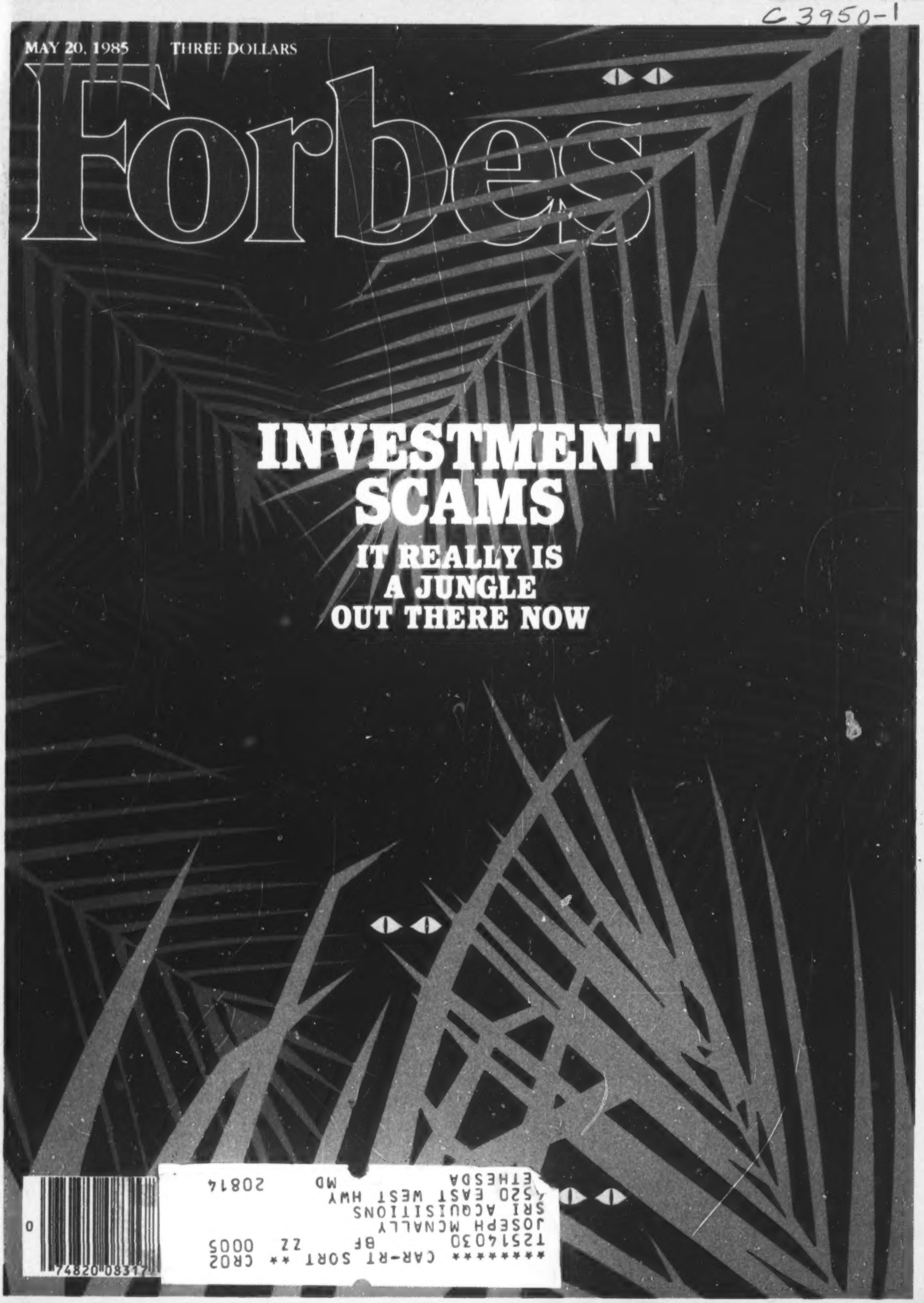
MAY 20, 1985 THREE DOLLARS

Forbes



INVESTMENT SCAMS

IT REALLY IS A JUNGLE OUT THERE NOW

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American apparel firms aren't supposed to be able to compete against Asia. So how come this one does?

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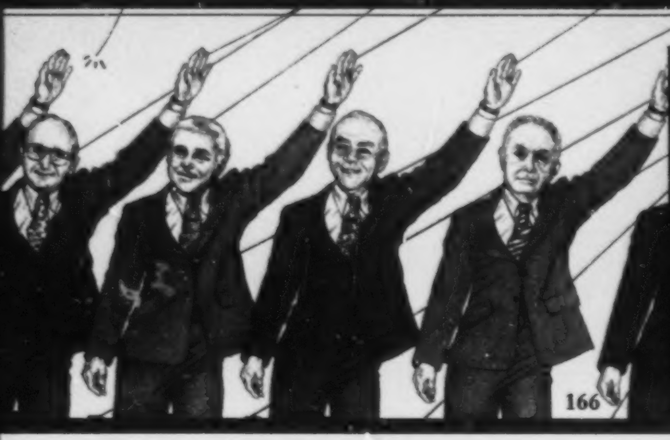

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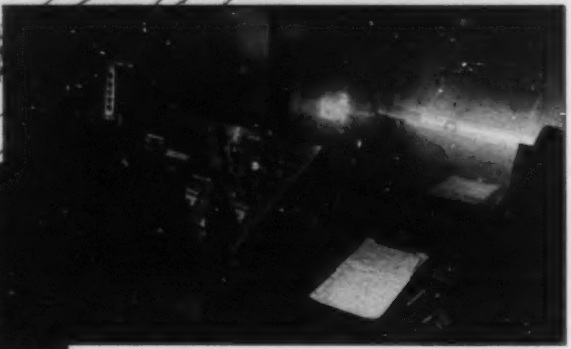

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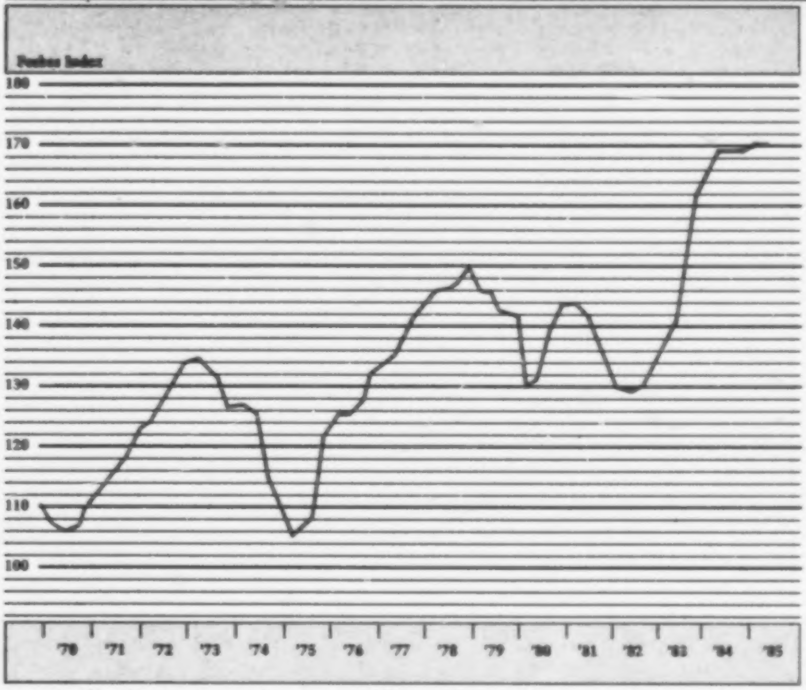
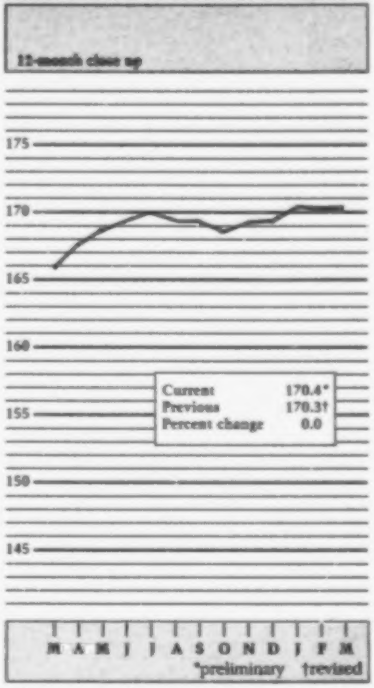
The Forbes Index





Standstill. The Forbes Index is virtually unchanged from the previous reporting period. New housing starts rebounded 53% from their dismal showing one month earlier. The latest housing starts figure, however, is only 5.2% higher than it was one year ago. Personal income shows a 0.8% month-to-month increase and industrial production a 0.3% increase.

In something of a departure from recent trends, the services component of the Consumer Price Index registered a slightly lower rate of increase than the overall CPI. The CPI for services gained 0.4%, while the overall CPI was up 0.44%. Finally, manufacturers' new orders fell 2.3% from the previous month and stand some 5.1% lower than they were 12 months ago.

The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

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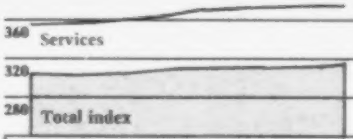
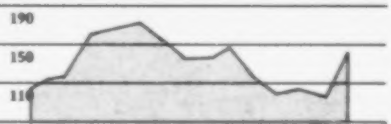
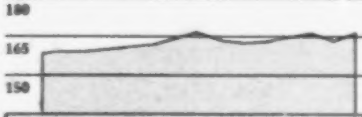


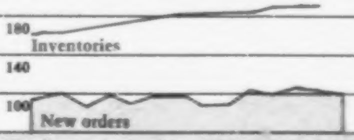
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



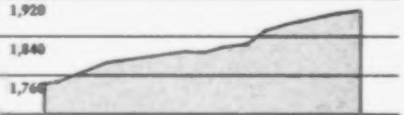
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



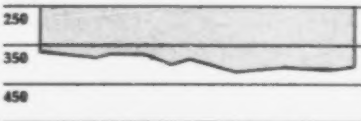
Industrial production index (1967 = 100)
seasonally adjusted (Federal Reserve)



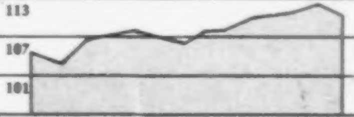
Manufacturers' new orders and inventories
(\$billions) seasonally (Dept. of Commerce)



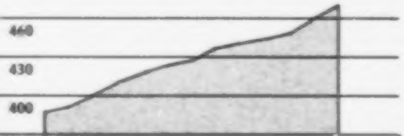
Personal income (\$billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month
(thousands) seasonally adjusted (Dept. of Labor)



Retail store sales (\$billions)
seasonally adjusted (Dept. of Commerce)



Consumer installment credit (\$billions)
total, seasonally adjusted (Federal Reserve)

Technology

Edited by Stephen Kindel

Despite advances in technology since 1945, the essential weapon in the U.S. arsenal is still the American GI.

Fit to fight

By Ellen Benoit

WHILE THE WEAPONS of war have changed substantially between V-E Day and now, the basic fighting machine of the U.S. Army still walks on two legs and needs a shave. Despite the advances in technology—the advent of smart weapons and laser-guided everything—the GI remains the only weapon with native intelligence.

Today's GI is, however, a more efficient weapon than his 1945 counterpart. The modern soldier can take on a tank singlehandedly, with the Fiberglas light antitank weapon (LAW) he slings over his back. Compare that to a World War II infantry weapon squad, which needed a two-man bazooka team: one to carry the rocket, one the launcher.

With the 6.5-pound, automatic M-16 rifle, a modern soldier can spray 200 rounds of 5.56-millimeter ammunition per minute. His World War II counterpart had to be something of a marksman: Equipped with the semiautomatic M-1 Garand rifle, he could fire just a single shot from an 8-round clip with each trigger pull. The M-1 was also about 3 pounds heavier and 4 inches longer than the M-16.

The rest of the modern soldier's personal arsenal hangs from his web gear, the network of belts and suspenders made of what the Army calls "ballistic" nylon, instead of the traditional canvas. It includes a bayonet, a portable grenade launcher and at least 100 rounds of extra ammo for his M-16, in 30-round clips. He's also likely to carry two to four hand grenades, weighing 1.5 pounds each.

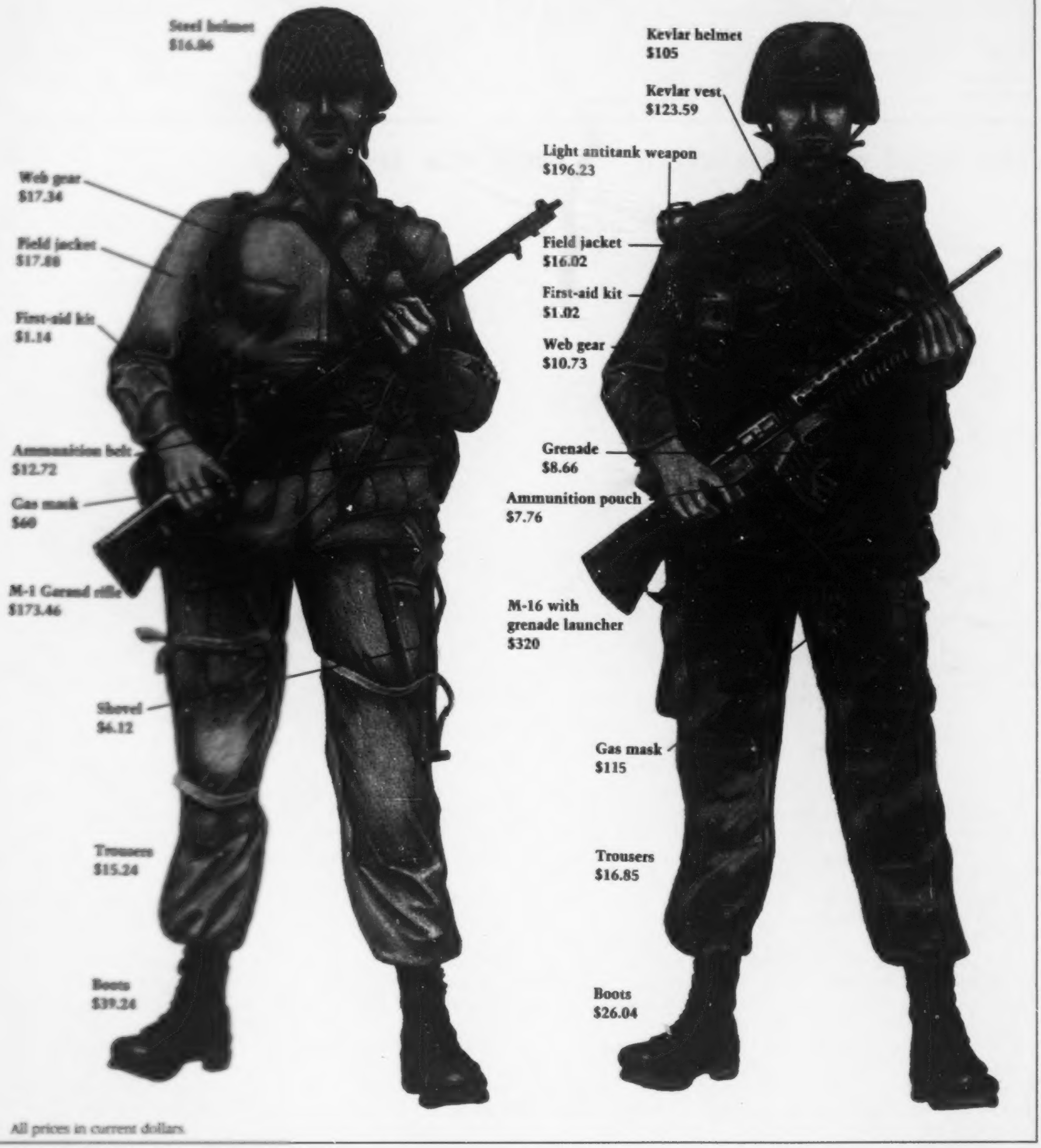
Add to all this a gas mask, one or two canteens of water, food rations and personal equipment, and the present-day foot soldier carries 50 to 75 pounds of gear on his back. The World War II GI carried the same load, but it was made up of fewer, heavier items.

The thing that has outwardly changed the least is the familiar olive-drab or camouflage combat uniform; today's infantryman looks very much like his 1945 counterpart. But the composition is all different. In World War II, soldiers wore natural fabric—cotton or wool or both. The Army's main concern was protecting its men from the elements: Throughout history more men at war have died from disease and exposure to the elements than from enemy fire.

Today's Army has the natural elements pretty well conquered, thanks to synthetics such as Gore-Tex, manufactured by W.L. Gore & Associates, that offer lightweight protection against cold and damp. Now the worry is about the unnatural, so today's nylon-cotton twill combat fatigues have built-in protection for the wearer from the heat of a nuclear thermal flash. In addition, modern combat fatigues are dyed and specially treated to defeat the infrared night vision aids used by today's well-equipped sniper. According to Charles Williams, who heads the life support systems division of the U.S. Army Research & Development lab in Natick, Mass., the new fabric duplicates the electromagnetic properties of the surrounding natural vegetation. This serves to break up the outline of the body on a sniper's scope.

Of all the changes in uniform, though, the most significant, according to the Army, is the widespread use of Kevlar in protective gear. Developed by Du Pont in 1972 as a high-strength, low-weight substitute for steel wires in tire cord, Kevlar's prop-

Susan Kravis


Steel helmet
$16.86
Web gear
$17.34
Field jacket
$17.88
First-aid kit
$1.14
Ammunition belt
$12.72
Gas mask
$60
M-1 Garand rifle
$173.46
Shovel
$6.12
Trousers
$15.24
Boots
$39.24
Kevlar helmet
$105
Kevlar vest
$123.59
Light antitank weapon
$196.23
Field jacket
$16.02
First-aid kit
$1.02
Web gear
$10.73
Grenade
$8.66
Ammunition pouch
$7.76
M-16 with
grenade launcher
$320
Gas mask
$115
Trousers
$16.85
Boots
$26.04

All prices in current dollars.

erties make it superior against fragmentation weapons like grenades, bombs and booby traps, which are the major ballistic threat on a battlefield. The fiber has found its way into infantry helmets and protective vests, also known as "flak jackets." The soldier of World War II was essentially without armor, save his steel helmet. By the Korean War, soldiers had nylon protective vests, but it wasn't until U.S. marines went to Lebanon in 1982 that Kevlar was first issued. According to Williams, Kevlar improves a soldier's ballistic protection—that's the number and size and velocity of fragments the material will stop—by 30% to 40%.

The new helmet, 19 layers of Kevlar laminated to each other with resin, also fits better than the old "steel pot" of 1945. "A real problem with the old M-1 steel helmet," says Williams, "was that it was not stable because the center of gravity of the helmet was substantially higher than the center of gravity of the head." Result: A soldier, in normal movement, had to use his neck muscles to try to keep the helmet from moving around. No such problem with the Kevlar helmet, which, surprisingly, weighs almost the same as the old steel pot with its nylon liner.

For all its lifesaving potential, the new helmet has one serious drawback—you can't shave in it. To a lot of present and former soldiers, the beauty of the M-1 was its versatility. More than a helmet, the M-1 was a sink, a shovel, a seat, even a pot for cooking, although the latter was not recommended since it weakened the tempering of the steel.

Not being able to shave out of their helmets has irritated many soldiers, but Williams maintains that "while we do everything we can to make our equipment adaptable to field expedience, we feel the reason for having a helmet in combat is to improve the soldier's chance of surviving."

Nevertheless, Natick is working on a solution: a plastic bag that can be inserted in the helmet, which can then be filled with water. But you still can't cook in it.

The right way, the wrong way and the Army way

Patrick McDonnell

The military has a literacy gap. Far worse than the alleged differences in Soviet and NATO weapons and strengths is the growing rift between the reading levels of servicemen and the information they need to digest. "If you took all the documentation on the U.S.S. *Carl Vinson* nuclear ship and put it end on end, it's taller than the Washington Monument," says Tom Duffy, director of the Communications Design Center at Carnegie-Mellon University. "A plane in the 1950s required only 1,800 pages to operate and support it. The B-1 bomber requires an estimated 1 million pages." Indeed, a joke now going around is that the Air Force's new transport aircraft is so big because it has to carry its own documentation.

The simple and direct solution—improving the quality of enlisted personnel—has been tried and found wanting. For one thing, the military takes what the schools produce, and what the schools produce isn't always very good. Department of Defense figures show that fiscal 1984's enlistees read on an average tenth-grade level, with all the services hovering around that point. Disaggregate the numbers, however, and it turns out that one-third of all new recruits read at or below the eighth-grade level. Since such basic things as orders of the day are written at the ninth- or tenth-grade level, the potential for confusion and improperly executed orders is high. Step up to more important things, such as the maintenance of a jet engine or a tank, and the possibilities for disaster are magnified.

The forecast isn't optimistic, either. "Even if the quality of recruit stays the same," says Lieutenant Colonel Tom Murawski, professor of English at the Air Force Academy who has served as an adviser to the White House on clear writing, "the equipment is getting more and more complex, so the problem grows."

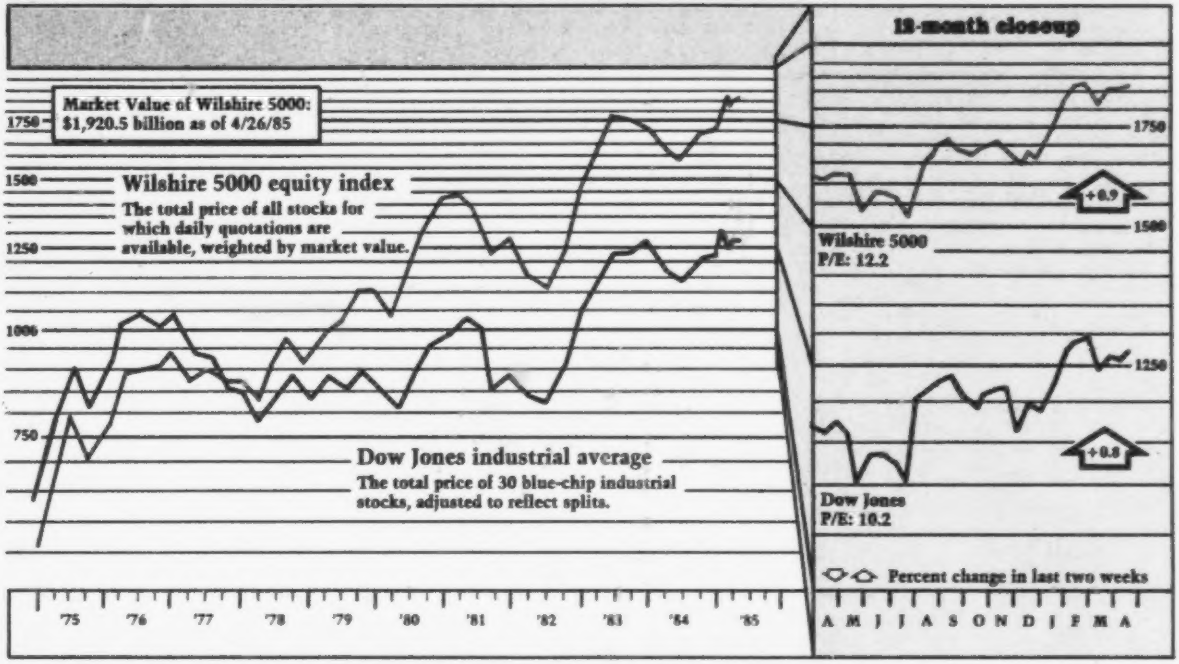
Fortunately, what technology can make complex, it can also simplify. For example, come this July, soldiers at Fort Knox, Ky. will begin repairing M-1 tanks with the help of a prototype 25-pound talking technical manual known as PEAM—personal electronic aid for maintenance. To operate it, a mechanic issues the command "Say," and then operates the cursor by voice. He waits for a mechanical-sounding voice to name the repair system he plans to work on, and then verbally "selects" that portion of the manual. PEAM will respond by printing the repair instructions on its screen and by reading them aloud, if desired. The system can store 200,000 words and 1,000 illustrations on one cartridge. PEAM (which is made by Texas Instruments and is being field-tested at Fort Knox) can be trained to respond to any voice in about a minute and will repeat any step if asked simply to "Repeat."

"PEAM is one example of a technology job aid that can compensate for a lower reading grade level by eliminating the need to exercise that skill," says Robert Wisher, chief of the development engineering office at the Army Research Institute. "Generally, for lower-level readers, one's listening comprehension is greater than one's reading skill by a couple of grade levels. So if you just change the form of delivery, you've improved their reading to that extent."

Electronic job aids such as PEAM

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Conflicting signals. The Dow industrials have traded within a range of a little less than 40 points since early March. During the most recent two-week period, the Dow climbed to within 15 points of its alltime high of 1299, but then backed off and ended up with only a 0.8% gain. Both the NYSE and the S&P's 500, though, hit new highs toward the end of the two-week stretch. The Wilshire index, which registered a 0.9% gain, also came within a whisker of breaking its previous record.

Is the market on the verge of another big rally? Although some indexes broke into new territory, trading volume has been unexceptional. First-quarter earnings reports also have been a disappointment. The 5,000 stocks in the Wilshire index are trading at a composite 12.2 times latest 12-month earnings, The Forbes Sales 500 at 10.8 times. The Forbes 500s multiple was 10.4 a month earlier. And analysts continue to scale back 1985 earnings estimates at a moderate pace.

Close-up On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	0.9	0.9	0.7	0.9	0.1	1.8
in last 52 weeks	14.8	15.6	9.1	14.8	8.9	15.1

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	1.0	0.8	–1.0	2.3	0.4	1.5	2.5	0.3	–0.9	2.2	2.1	–1.3
in last 52 weeks	17.9	10.9	10.9	27.5	4.3	27.8	26.6	15.2	11.7	29.4	25.1	–0.5

[1] Based on sales.
[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

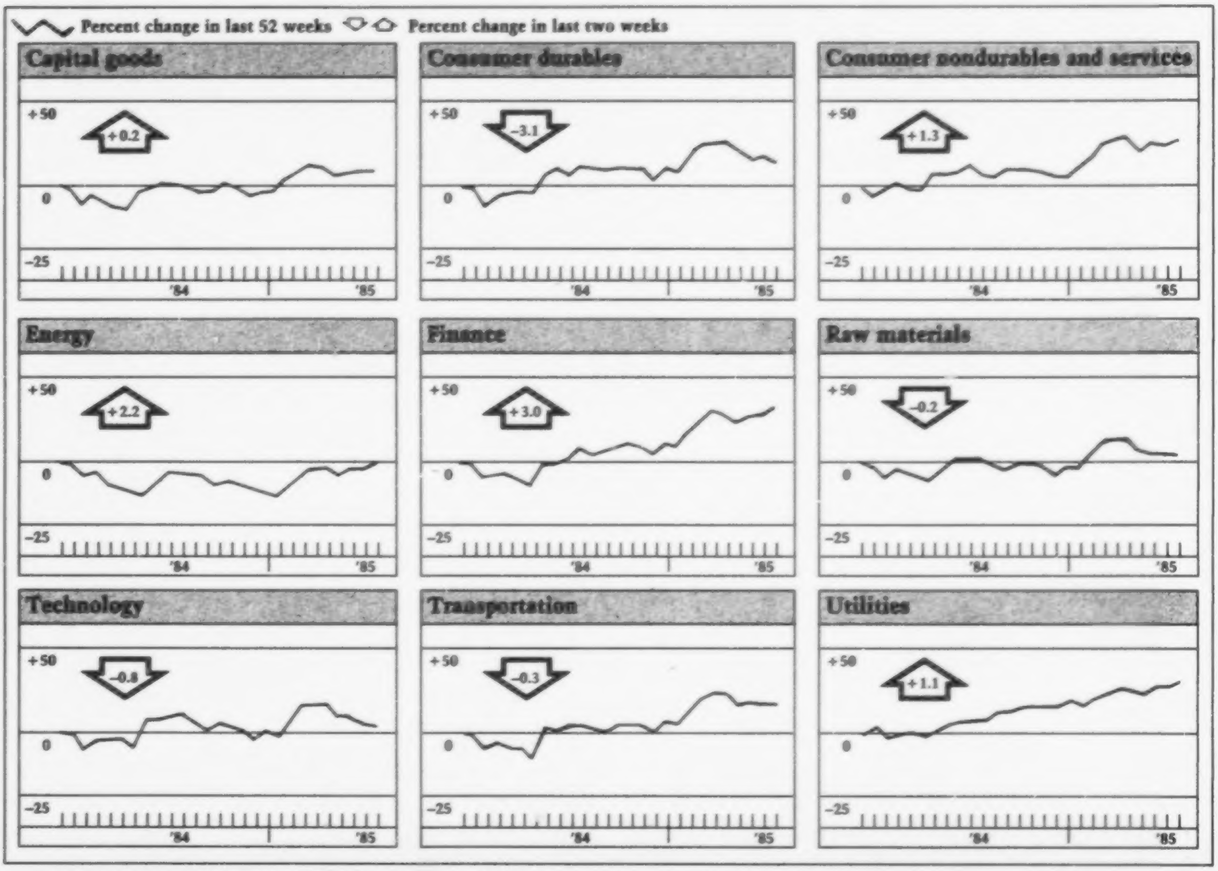
Note: All data for periods ending 4/26/85. Prepared by Wilshire Associates, Santa Monica, Calif.

Kenneth Alcorn

Where The Action Is

Money and oil. During the most recent two-week period the finance and energy sectors outperformed the remaining groups. A number of banks and insurance companies hit 52-week highs. Gains were recorded for many integrated oils as well as for smaller Amex-listed energy companies. Consumer nondurables shares rose 1.3%, while utilities stocks continued to rise, this time by 1.1%. The electric and phone company shares are second only to finance shares in 52-week performance: 26.9%, vs. 30.8%.

The poorest-performing group over the last ten trading days was consumer durables, which registered a 3.1% decline. The technology sector continued to flounder, with a 0.8% setback. Transportation and raw materials shares also ended the period in the loss column.



What The Analysts Think

Swimming upstream. Lackluster first-quarter earnings reports prompted many analysts to scurry back to their personal computers and cut 1985 projections. Over the last two weeks average estimates fell for all sectors except consumer durables. Analysts cut forecasts for Ford and GM but raised their figures for Chrysler.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.68	10.8
1985 estimates	4.31	9.2
1986 estimates	4.86	8.2

Rank based on change in estimate	Sector	Estimated 1985 EPS	Estimated 1985 P/E	% change in 1985 estimate in 2 weeks	% change in 1985 estimate in 4 weeks
1	Consumer durables	$4.82	8.4	0.31%	-0.79%
2	Finance	3.46	9.1	-0.18	-0.33
3	Energy	3.68	8.1	-0.25	-0.90
4	Consumer nondurables	2.62	11.6	-0.35	-1.06
5	Utilities	3.59	7.4	-0.42	-0.55
6	Capital goods	2.92	11.0	-1.01	-1.24
7	Raw materials	2.40	10.1	-1.15	-3.06
8	Technology	2.93	11.6	-1.25	-2.62
9	Transportation	3.16	8.6	-1.46	-2.29

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 4/26/85. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

The Forbes/TUCS Institutional Portfolio Report

Edited by Steve Kichen

How ARE heavyweights in the market faring? Not terribly well. Only 24% of institutional equity portfolios beat the market in the first quarter of 1985.

This quarterly review of institutional portfolios shows where the money managers are putting their money and where they are doing well. The data come from the Trust Universe Comparison Service, or TUCS, a service of Santa Monica, Calif.-based Wilshire Associates. TUCS monitors more than 4,000 pension portfolios, a sample that represents approximately 20% of the pension assets in the U.S.

The market recorded healthy first-quarter gains. The Wilshire 5000 index was up 10.4%, including reinvested dividends. But equity managers registered a 9.6% median return on the equity portion of their portfolios.

TUCS' first-quarter total return for all pension assets, including stocks, bonds, cash, convertibles and miscellaneous investments, was 6%. Institutionally held bonds registered a median total return of 2%, a figure that pretty much paralleled the Shearson Lehman Government/Corporate Bond Index.

One reassuring finding is that overall appreciation of institutionally invested assets more than met actuarial assumptions and stayed well ahead of inflation, both in the past quarter and over the past year. The table in the middle at right, "Segment performance and cash flows," shows how this fact is affecting pension funding. The healthy stock market and low inflation have made pension funds overfunded, and corporations have been cutting back contributions. The negative cash flows, 5.8% over the last 12 months and 1% in the recent quarter, are computed merely by comparing contributions and withdrawals. These figures, then, exclude the growth of fund assets attributable to market performance.

The institutions shuffled blue chips last quarter. They continued to load up on Xerox, Loews and Woolworth, while selling issues such as Ford and GM *(see table below at right).* Ford slipped from its number eight position in top ten holdings and is now ranked 20th.

Top ten holdings

Security	Market value (millions)	Weighting of institutional portfolios	Total quarter return
IBM	$3,304	4.2%	4.0%
General Electric	1,010	1.3	5.3
General Motors	962	1.2	–5.4
Philip Morris	848	1.1	17.1
American Express	666	0.8	10.8
Exxon	575	0.7	13.7
Atlantic Richfield	535	0.7	12.6
Digital Equipment	517	0.7	–6.1
Citicorp	515	0.7	13.1
Schlumberger	511	0.6	1.8

Where the institutions put their money

Segment	—Portfolio weighting— most recent quarter	previous quarter
Equity	54.8%	56.6%
Fixed income	28.7	27.5
Cash and equivalents	11.0	10.9
Convertibles	0.9	0.9
Other[1]	4.6	4.0

Equity portfolio characteristics

	Institutional portfolios	Wilshire 5000
Price/earnings ratio	11.5	11.3
Dividend yield	3.7%	4.0%
Beta[2]	1.07	1.04

Segment performance and cash flows

Segment	—Most recent quarter—		—Latest 12 months—	
	median total return	shift in institutional holdings	median total return	shift in institutional holdings
Equity	9.6%	0.8%	18.3%	–2.2%
Fixed income	2.0	–1.5	16.3	–3.6
Cash equiv	2.1	–5.8	10.6	–15.9
Convertibles	8.0	0.6	19.2	–1.8
Other[1]	2.1	–5.5	12.4	–7.2
Total	6.0	–1.0	15.5	–5.8

Position changes: These securities had the greatest relative change in holdings over the last quarter

Security	Increase in holdings	Total quarter return	Security	Decrease in holdings	Total quarter return
Xerox	0.3%	17%	**Exxon**	–0.2%	14%
Loews	0.2	10	**Safeway Stores**	–0.2	19
JP Morgan	0.2	16	**IBM**	–0.2	4
FPL Group	0.2	7	**Digital Equip**	–0.1	–6
Amer Brands	0.2	8	**Ford Motor**	–0.1	–6
Toys "R" Us	0.1	18	**GM**	–0.1	–5
FW Woolworth	0.1	13	**Phillips Pete**	–0.1	10
USG	0.1	12	**Sperry**	–0.1	29
American Express	0.1	11	**Atlantic Rich**	–0.1	13
PepsiCo	0.1	29	**AT&T**	–0.1	13

[1] Real estate, foreign investments, venture capital, guaranteed insurance contracts.

[2] A measure of risk. A stock with a beta of 1.00 tends to move up or down at the same rate as the S&P's 400. NA: Not available.

Note: Data for quarter ending 3/29/85. Prepared by the Trust Universe Comparison Service (TUCS®), a service of Wilshire Associates, Santa Monica, Calif.

Where the institutions are—and aren't

Most overweighted relative to Wilshire 5000:			Most underweighted relative to Wilshire 5000:		
Security	% of institutional universe	% of Wilshire 5000	Security	% of institutional universe	% of Wilshire 5000
Philip Morris	1.1%	0.6%	**Exxon**	0.7%	2.1%
Federated Dept Stores	0.5	0.1	**Shell Oil**	0.0	1.0
American Express	0.8	0.5	**AT&T**	0.5	1.2
Citicorp	0.7	0.3	**Standard Oil of Ohio**	0.3	0.6
McDonald's	0.6	0.3	**EI du Pont de Nemours**	0.4	0.7
Waste Managment	0.5	0.1	**Eastman Kodak**	0.4	0.7
Lockheed	0.5	0.2	**BellSouth**	0.3	0.6
Boeing	0.6	0.3	**Amoco**	0.6	0.8
CBS	0.4	0.1	**Sun Co**	0.1	0.3
Digital Equipment	0.7	0.4	**Phillips Petroleum**	0.2	0.4

Diagnosis of a disappointment. Where did the experts goof? Conservative equity managers who kept cash on the sidelines missed opportunities in a rising market. Institutions also missed the mark in sector allocations, as the table below shows. The median energy holding in TUCS equity portfolios is less than half energy's weight in the S&P's 500. On the other hand, the institutions are heavy on technology stocks. That hurt in the first quarter, when the oils did much better than technology shares.

The table below shows the top five holdings within each economic sector. During the last quarter Honda Motor moved up to fifth place, displacing Whirlpool in consumer durables. Meanwhile, the institutions lightened up on Digital Equipment, which shows a loss for the quarter of 6.1%. In our last report this issue was the most overweighted stock relative to the Wilshire 5000.

Sector activity and top holdings

% of institutional portfolio: ■ **most recent quarter** ■ **previous quarter**

Capital goods	5.3	5.5	Consumer durables	4.5	4.9	Consumer nondurables	29.2	27.2
	total return			**total return**			**total return**	
General Electric	**5.3%**		**General Motors**	**–5.4%**		**Philip Morris**	**17.1%**	
Emerson Electric	**1.9**		**Ford Motor**	**–6.2**		**McDonald's**	**15.0**	
Westinghouse	**15.8**		**Chrysler**	**9.8**		**Federated Dept Stores**	**9.5**	
Signal Cos	**1.5**		**Goodyear Tire & Rubber**	**4.9**		**American Home Prods**	**24.6**	
Caterpillar Tractor	**4.1**		**Honda Motor**	**12.7**		**Sears, Roebuck**	**8.8**	
Energy	9.3	9.7	Finance	12.9	11.4	Raw materials	10.8	11.1
	total return			**total return**			**total return**	
Exxon	**13.7%**		**American Express**	**10.8%**		**Waste Management**	**22.5%**	
Atlantic Richfield	**12.6**		**Citicorp**	**13.1**		**EI du Pont de Nemours**	**6.3**	
Schlumberger	**1.8**		**Phibro-Salomon**	**19.2**		**Allied Corp**	**10.7**	
Amoco	**18.2**		**General Re**	**16.3**		**Dow Chemical**	**7.1**	
Royal Dutch Petroleum	**15.9**		**JP Morgan**	**16.3**		**Alcoa**	**–6.7**	
Technology	16.2	17.6	Transportation	3.9	3.8	Utilities	8.0	8.8
	total return			**total return**			**total return**	
IBM	**4.0%**		**AMR**	**16.3%**		**AT&T**	**12.5%**	
Digital Equipment	**–6.1**		**Burlington Northern Inds**	**12.7**		**Southwestern Bell**	**7.8**	
Boeing	**11.0**		**Norfolk Southern**	**11.5**		**Nynex**	**9.9**	
Minnesota Mining & Mfg	**5.7**		**Union Pacific**	**22.5**		**American Info Tech**	**9.2**	
Lockheed	**10.3**		**Federal Express**	**4.0**		**US West**	**6.2**	

Statistical Spotlight

There were dozens of high-quality, low-P/E stocks at the market bottom in 1982. Today low-P/E shares are more hazardous, but there may be some bargains.

You get what you pay for

By Michael Ozanian

"Low-P/E issues don't go down as much as the market during cyclical downturns because they're already washed out," says David Dreman, managing director at Dreman & Embry, a New York City investment counseling firm, and a Forbes columnist. His research indicates that stocks with low price/earnings multiples often outperform the market. True perhaps, but with the Dow trading within 20 points of an alltime high, low-P/E stocks not tainted with problems are rare.

Long Island Lighting, for example, is one of the cheapest stocks around. It sports a multiple based on latest 12-month earnings of only 2.1. Since the market is trading at an average multiple of 12, that sounds cheap. But Lilco's well-publicized problems at its Shoreham nuclear plant have left its survival in the hands of politicians.

We screened Lynch, Jones & Ryan's Institutional Brokers Estimate System database for firms selling under 6.4 times both latest 12-month and estimated 1986 earnings. We eliminated some of the stinkers by dropping issues with negative five-year earnings growth rates, debt more than 200% of equity and share prices more than twice book value.

So, where are the low P/Es? Over half are electric utilities. The high yields of troubled Cincinnati Gas & Electric (14.3%) and Central Maine Power (14.2%) indicate the market doubts whether such payouts will be maintained.

Auto companies also make the list. With the end of import quotas and an expected cyclical downturn, analysts expect lower 1986 earnings. But how much lower? Both Ford and Chrysler have P/Es, based on 1986 estimates, of 3.8. If the dropoff in earnings is no greater than latest estimates, these stocks are bargains now. ■

Half-price

The Wilshire index P/E is 12, but these shares sell at less than 6.4 times both latest 12-month and estimated 1986 earnings. Like most discounted goods, however, some of these bargains are irregulars, so examine them carefully.

Company	Price current	Price 12-month high low	Earnings latest 12 mos	Earnings 1986 estimate	Price/earnings latest 12 mos	Price/earnings 1986 estimate	Book value	Book/ price	Debt/ equity	Yield
Long Island Lighting	6⅝	8¾– 3¾	$3.09	$2.28	2.1	2.9	$19.28	2.91	137%	—
Ford Motor	43⅜	51⅜–33⅝	15.79	11.55	2.7	3.8	52.86	1.22	21	5.5%
Commodore Intl	10	39⅝– 8¾	3.25	2.52	3.1	4.0	10.56	1.06	45	—
Chrysler	37	38½–20⅞	11.75	9.82	3.1	3.8	27.22	0.74	54	2.7
Kansas City Pwr & Lt	22	24 –14¼	4.61	3.79	4.8	5.8	25.23	1.15	138	10.7
Central Maine Power	9⅞	11½– 7⅞	1.99	2.40	5.0	4.1	16.68	1.69	135	14.2
Toledo Edison	18½	18⅞–13⅜	3.70	3.42	5.0	5.4	23.77	1.28	163	13.6
Middle South Utilities	14⅛	14⅝– 9¼	2.77	2.34	5.1	6.0	18.19	1.29	177	12.6
El Paso Electric	14¾	15 –10	2.88	2.81	5.1	5.2	13.41	0.91	150	9.9
Bank of Boston	47⅝	48¼–29	9.25	8.27	5.1	5.8	51.55	1.08	43	5.0
Northeast Utilities	15⅞	16 –10⅝	2.88	2.66	5.5	6.0	13.74	0.87	178	10.0
General Motors	70¾	85 –61	12.37	12.66	5.7	5.6	66.32	0.94	13	7.1
Central Hudson G&E	25⅞	26¾–16⅛	4.47	4.43	5.8	5.8	27.45	1.06	117	11.0
Cleveland Electric Illum	21	21⅜–13¾	3.62	3.35	5.8	6.3	21.51	1.02	117	12.0
Magic Chef	34¼	39¾–24	5.81	5.94	5.9	5.8	25.23	0.74	33	2.9
General Public Utilities	12½	13¼– 7¼	2.05	2.04	6.1	6.1	24.23	1.94	120	—
Cincinnati G&E	15⅛	15⅞– 8⅞	2.45	2.46	6.2	6.1	20.35	1.35	133	14.3
Chemical New York	40½	43 –23½	6.48	7.64	6.3	5.3	40.81	1.01	73	6.1
Houston Industries	24¾	24⅞–18⅜	3.95	4.15	6.3	6.0	24.56	0.99	94	10.7

Sources: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan; Standard & Poor's Stockpak-II System; Forbes

JUNE 3, 1985 THREE DOLLARS

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Forbes

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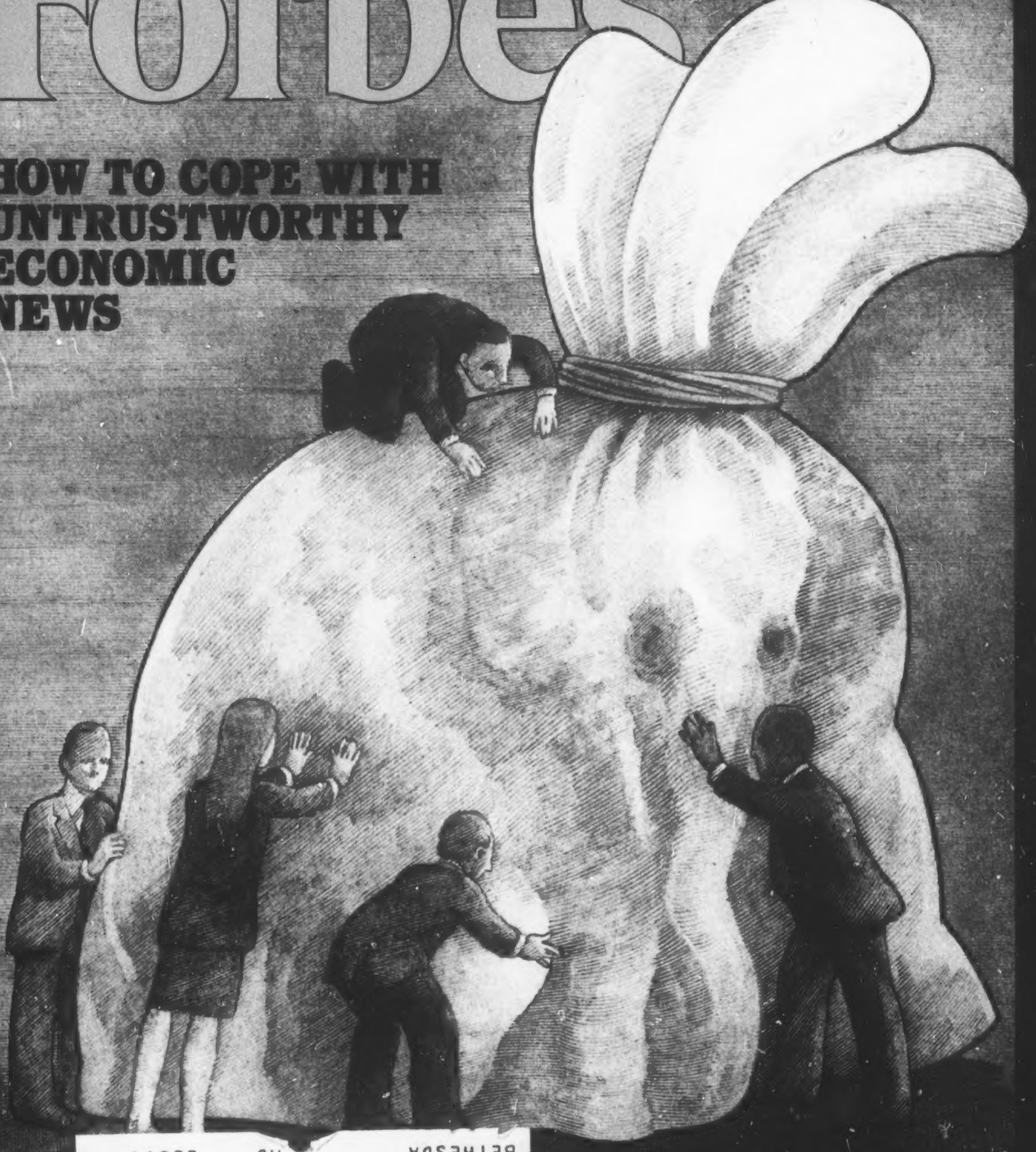

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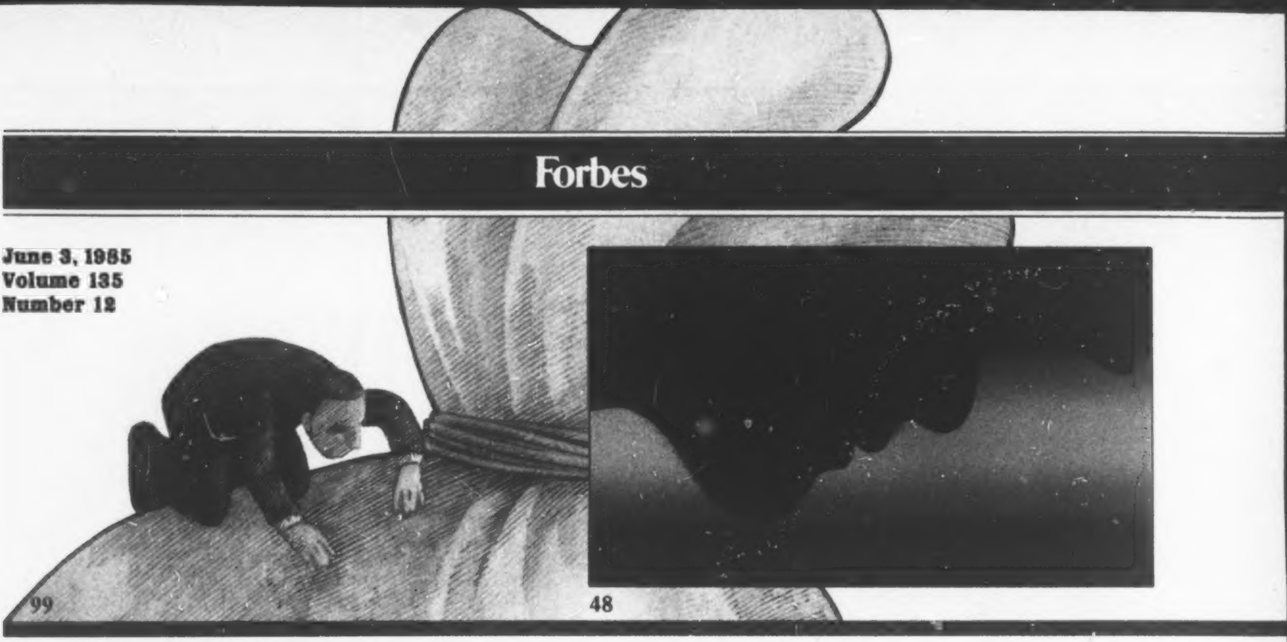

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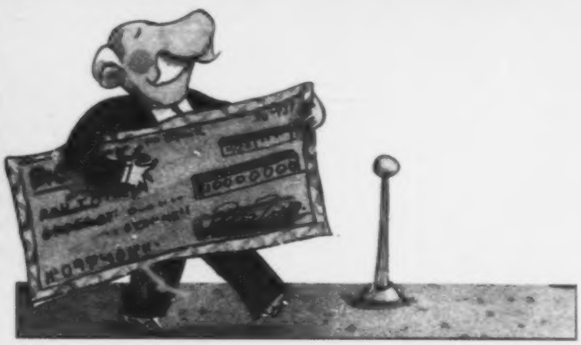

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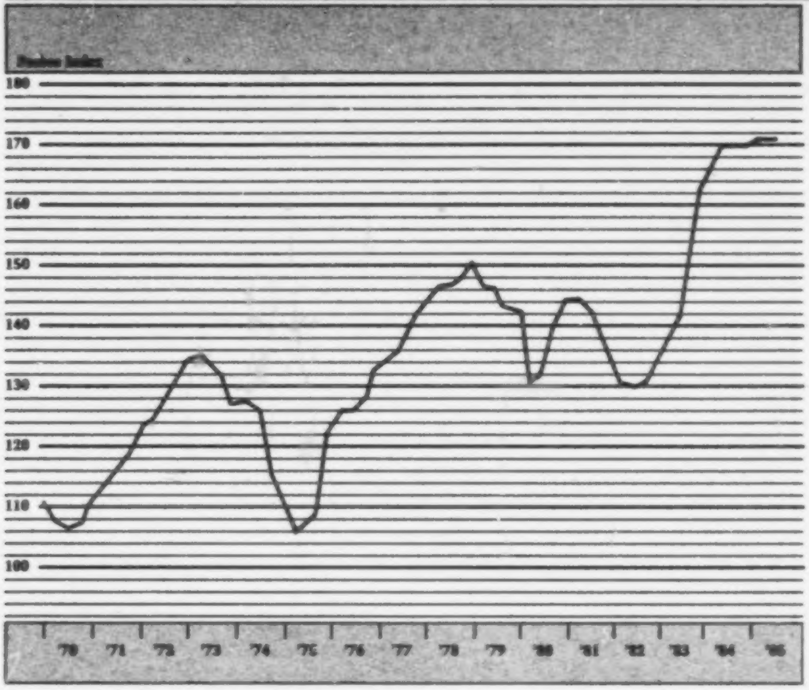
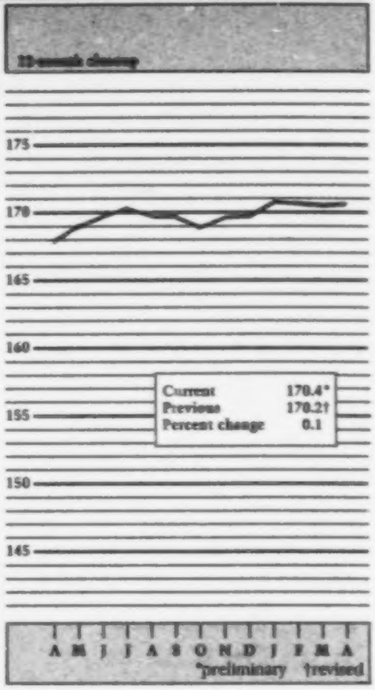
Cover illustration by Chas. B. Slackman

The Forbes Index





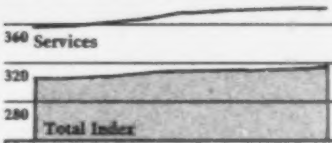
Bumping along the top. The last time the Forbes Index posted a month-to-month increase was in January. In the latest reporting period the index gained 0.1%, which brings it back to the January record level. This time, however, only two items, relating to unemployment and inventories, were available for update. It will be necessary to wait for more monthly data to determine whether the final version of the index ends in the plus column.

New unemployment claims were off 0.4% from the previous month and touched their lowest level since last September. Manufacturers' inventories show a month-to-month rise of 0.4%. Meanwhile, revised figures for manufacturers' new orders show a steeper decline—3%—than the 2.4% loss previously reported.

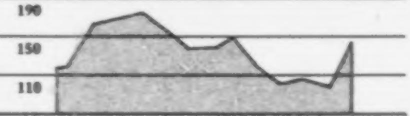
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

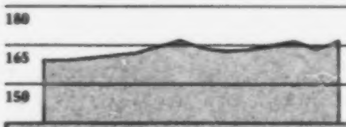
To measure these eight elements, Forbes monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



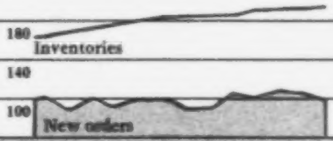
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



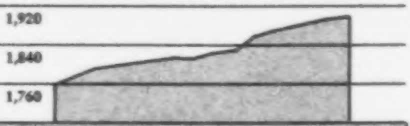
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



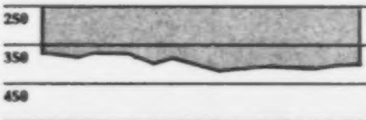
Industrial production index (1967 = 100)
seasonally adjusted (Federal Reserve)



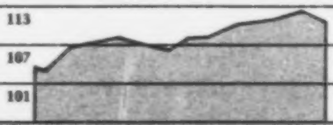
Manufacturers' new orders and inventories
($billions) seasonally (Dept. of Commerce)



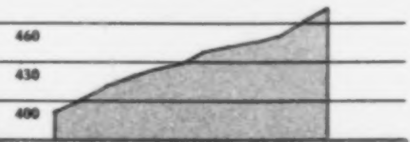
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month
(thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions)
seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

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Who Gets The Most Pay

This year's compensation rankings show 133 CEOs, young and old, entrepreneurs and corporate staffers, who made $1 million or more—plus 652 who didn't make a million but did okay.

Who made what at the top in U.S. business

Illustrations by Patrick McDonnell

By John A. Byrne

Laid out on these pages is the most comprehensive and meaningful survey of chief executive pay published anywhere. Forbes' survey lists CEO pay for 785 Forbes 500s companies in 42 industry groupings covered in the Annual Report on American Industry, compared with *Business Week*'s 259 companies in 7 categories. We publish data for 150 banks vs. *BW*'s 18 and for 51 retailers vs. *BW*'s 5. In fact, four of the ten top-paid chiefs on the Forbes list don't make *BW*'s survey at all. Small wonder then that many business academics and consultants rely on Forbes data for their studies of executive compensation.

The Forbes survey was expanded this year to bring more meaning to these numbers. Consider the chart of medians on page 117 that relates CEOs' compensation to their business backgrounds. Note, for example, that CEOs with a background in retailing—traditionally thought to be a low-paying industry—scored the second-highest median pay, $756,000. Experience in investments, marketing and operations also paid high returns to their executives. On the other hand, CEOs with production, technical, insurance and banking backgrounds earned the least—all below a $562,000 median.

The fact that journalism, of all things, should be the background sporting the highest median—$1.5 million—is surely an anomaly, the result of only three CEOs with writing backgrounds. You probably have a greater chance of making big money in media by going the Dan Rather route than by traveling the reporter-to-corporate-manager paths of Dow Jones' Warren Phillips or Gannett's Allen Neuharth, each of whom made over $1.5 million last year.

Corporate turnaround artists joined equity-rich entrepreneurs among the best-paid chief executives' rankings last year. Miracle workers Lee Iacocca and Sanford Sigoloff earned $5.5 million and $5.3 million, respectively, for their big jobs in turning around Chrysler and Wickes. That compensation ranked them not far behind the company founders who took down the top four paychecks of 1984: T. Boone Pickens of Mesa Petroleum ($22.9 million), David Jones of Humana Inc. ($17.9 million), Charles Lazarus of Toys "R" Us ($11.1 million) and Data General's Edson D. de Castro ($7.9 million).

Those high numbers, of course, often reflect bonuses and stock options for performance over the long haul. Take Humana's CEO Jones. All but $800,000 of his $17.9 million in total compensation comes from exercising stock options, some dating as far back as 1971. For Jones it was a reward for building the largest and most profitable corporation in hospital management, with earnings of $200 million and more than 42,000 employees.

We're not sure if it's an advertisement for job-hopping, but the figures suggest length of service may mean less than it once did. Executives with 2 to 5 years' service with their present companies earned a median $529,000, more than those with 6 to 10 years on the job. Still, company loyalty is not out of fashion; 495 CEOs had put in more than 20 years with their companies, and they earned a median $579,000 each.

Length of service	Number of CEOs in group	Median remuneration
1 year	19	$350,000
2 to 5 years	41	529,000
6 to 10 years	74	498,000
11 to 20 years	156	588,000
Over 20 years	495	579,000

Increasingly, though, corporate types are paid more like entrepreneurs. More companies than ever have adopted pay-for-performance plans laden with stock options for jobs well done. That's one reason a record 133 of the 785 chief executives in our survey made $1 million or more last year—compared with 103 members of the Millionaire club the year earlier, out of a total of 805 executives.

Age helps, too. The 65-year-old-and-over CEOs (there are 82 of them in this survey) got the highest median pay, $672,000. Those under 40 (only 5 make it) earned the lowest median pay, $414,000.

Age grouping	Number of CEOs in group	Median remuneration
Under 40	5	$414,000
40 to 49	91	506,000
50 to 64	607	569,000
65 and over	82	672,000

Often obscured in the continuing debate over pay for performance is that what you make frequently depends on how much you manage. Chief executives of $5 billion (sales) firms earned a median of $902,000, compared with $337,000 for CEOs of companies under $500 million in sales. In every case, pay went up when sales were higher. Still, you have to deliver the goods. In at least 29 companies, when profits fell, year to year, so did the chief executive's salary and bonus.

Remember, too, that these figures are for chief executives only. Sometimes the boss doesn't bring home the biggest paycheck. MCA Chief Lew Wasserman's $530,000 compensation last year was peanuts next to President Sidney Sheinberg's $4.6 million. Sheinberg benefited from the exercise of a bunch of incentive stock plans. ■

What the numbers mean

Salary and bonus:

Salary and bonus, whether paid in cash or deferred, as well as directors' fees and commissions.

Other:

Payments made under long-term compensation plans, restricted stock awards vested or released from restrictions in 1984, thrift plan contributions and other benefits.

Stock gains:

Net value realized in shares or cash from the exercise of stock options and/or stock appreciation rights granted in prior years.

Rank in industry:

Each chief executive's total compensation is ranked relative to that of others in the industry group. Industry group codes follow company names and are identified on page 153.

Who Gets The Most Pay

Ranked by industry

U.S. business is not a level playing field when it comes to paying the boss. Tobacco CEOs make roughly five times the pay of those in electric utilities, while such growth industries as telecommunications and computers rank in between. Listed below are 42 industries* with median pay and the highest- and lowest-paid CEO for each.

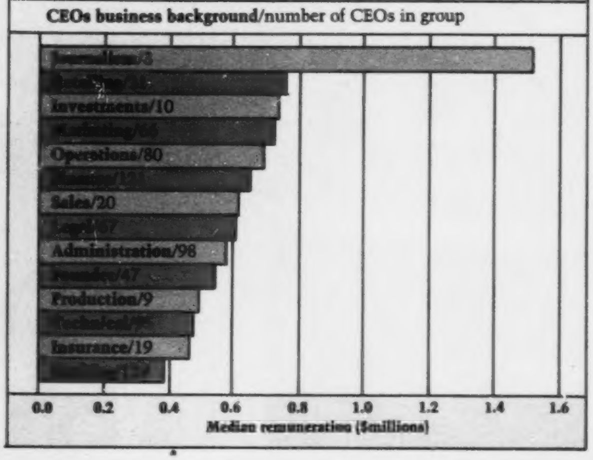
	Median total compensation ($000)	Highest paid total compensation			Lowest paid total compensation		
Industry/number of companies		company	executive	amount ($000)	company	executive	amount ($000)
Tobacco/3	1,081	Philip Morris	Hamish Maxwell	1,272	US Tobacco	Louis F Bantle	1,074
Beverages/5	1,050	Coca-Cola	Roberto C Goizueta	1,767	General Cinema	Richard A Smith	527
Aerospace and defense/12	1,000	E-Systems	John W Dixon	2,566	Grumman	John C Bierwirth	536
Diversified companies/37	971	Utd Technologies	Harry J Gray	2,173	Berkshire Hathaway	Warren E Buffett	100
Petroleum/34	928	Mesa Petroleum	T Boone Pickens Jr	22,956	Charter	Alexander P Zechella	50
Health care/31	871	Humana	David A Jones	17,921	Shared Medical Sys	R James Macaleer	289
Packaging/5	855	American Can	William S Woodside	1,802	Crown Cork & Seal	John F Connelly	231
Financial services/12	839	Phibro-Salomon	John H Gutfreund	2,339	Telerate	Neil S Hirsch	300
Electrical equipment/5	820	Emerson Electric	Charles F Knight	2,126	Square D	Dalton L Knauss	480
Service transportation/16	806	Burlington Northern	Richard M Bressler	1,516	McLean Inds	Malcolm P McLean	250
Industrial machinery/11	782	Colt Industries	David I Margolis	1,667	Tecumseh Products	Kenneth G Herrick	195
Publishing/14	778	Dun & Bradstreet	Harrington Drake	2,434	American Greetings	Irving I Stone	250
Office equipment/2	764	Xerox	David T Kearns	918	Pitney Bowes	George B Harvey	611
Food processors/28	747	Ralston Purina	William P Stiritz	3,057	United Brands	Carl H Lindner	35
Consumer products/17	709	Kimberly-Clark	Darwin E Smith	1,560	Maytag	Daniel J Krumm	404
Telecommunications/18	697	Digital Switch	James L Donald	1,704	Western Union	Robert S Leventhal	19
Metals/16	696	NVF	Victor Posner	4,488	Asarco	Ralph L Hennebach	370
Automobiles and trucks/9	683	Chrysler	Lee A Iacocca	5,510	American Motors	José J Dedeurwaerder	285
Leisure and recreation/12	672	Brunswick	Jack F Reichert	964	Polaroid	William J McCune Jr	375
Computers/17	670	Data General	Edson D de Castro	7,966	Intergraph	James W Meadlock	177
Chemicals/17	667	Rohm & Haas	Vincent L Gregory Jr	1,885	Stauffer Chemical	H Barclay Morley	373
Building materials/10	657	Vulcan Materials	W Houston Blount	924	Armstrong World Inds	Joseph L Jones	371
Automotive suppliers/12	637	Eaton	E Mandell de Windt	2,260	Snap-On Tools	William B Rayburn	421
Paper/17	626	Boise Cascade	John B Fery	1,937	Consolidated Papers	George W Mead	290
Broadcasting/5	600	CBS	Thomas H Wyman	1,180	Tele-Communications	John C Malone	323
Apparel/4	595	VF	Lawrence R Pugh	1,318	United States Shoe	Philip G Barach	383
General retailers/16	589	Sears, Roebuck	Edward R Telling	2,131	Wal-Mart Stores	Sam M Walton	330
Textiles/2	582	Collins & Aikman	Donald F McCullough	634	Burlington Inds	William A Klopman	530
Electronics/14	572	Avnet	Anthony R Hamilton	3,851	Perkin-Elmer	Horace G McDonnell Jr	305
Specialty retailers/18	562	Toys "R" Us	Charles Lazarus	11,070	Petrie Stores	Milton J Petrie	150
Natural gas utilities/25	518	Peoples Energy	Eugene A Tracy	911	Questar	R D Cash	227
Oilfield drillers and services/6	514	Baker International	Ernest H Clark Jr	1,304	Dresser Inds	John J Murphy	251
Heavy equipment/2	511	Caterpillar Tractor	Lee L Morgan	669	Deere	Robert A Hanson	354
Supermarkets/17	506	Great A&P Tea	James Wood	1,518	Circle K	Karl Eller	167
Builders/4	504	Amer Continental	Charles H Keating	958	Fluor	David S Tappan Jr	406
Insurance/28	503	First Executive	Fred Carr	4,465	Kemper	Joseph E Luecke	168
Services/16	503	Transworld Corp	L Edwin Smart	893	Shoney's	R L Danner	187
Air transport/13	452	Southwest Airlines	Herbert D Kelleher	1,969	Republic Airlines	Daniel F May	203
Banks/150	413	City National	Bram Goldsmith	3,170	First Florida Banks	A Bronson Thayer	8
Coal/1	410	Pittston	Paul W Douglas	410	—	—	—
Thrift institutions/33	348	CityFed Financial	Gilbert G Roessner	1,628	United Financial	Charles E Hurwitz	11
Electric utilities/71	277	Pacific Gas & Elec	Frederick W Mielke Jr	638	Iowa-Illinois G&E	Barry C O'Brien	142

*FORBES, in its Annual Report on American Industry *(Jan. 14, 1985)*, lists companies in as many as three industries. Throughout these tables, FORBES ranks CEOs' compensation by primary industry.

Who Gets The Most Pay

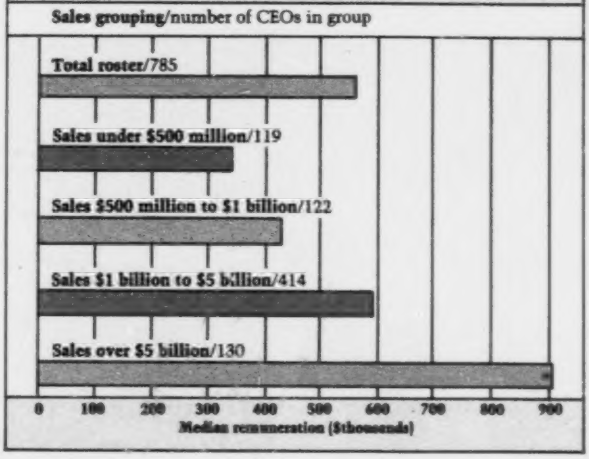
Career paths

This chart ranks median compensation by business background of the CEO. Aside from journalism, surely an anomaly, the surprise is pay in retailing.



More is more

Search for size, as well as excellence. The bigger a company's volume of sales, as this chart shows, the greater its chief executive's total compensation.



Who makes what (companies listed alphabetically)

			Compensation ($000)					Tenure (years)		
Rank	Company/industry group	Chief executive/age	salary and bonus	other	stock gains	total	Rank in industry	with firm	as CEO	Business background
161	Abbott Laboratories/21	Robert A Schoellhorn/56	921	3	—	924	15 of 31	11	6	Technical
156	Advanced Micro/18	Walter J Sanders III/48	874	73	—	948	3 of 14	16	16	Founder
457	Aetna Life & Cas/24	James T Lynn/58	477	17	—	494	15 of 28	7	1	Legal
701	Affiliated Bkshs Colo/ 6	Leo Hill/61	224	18	23	265	130 of 150	21	2	Administration
258	HF Ahmanson/41	Richard H Deihl/56	631	—	113	745	4 of 33	35	1	Banking
241	Air Prods & Chems/11	Edward Donley/63	755	13	—	769	8 of 17	42	11	Technical
103	Albertson's/37	Warren E McCain/59	570	22	503	1,095	2 of 17	33	8	Operations
249	Alco Standard/31	Ray B Mundt/56	739	22	—	761	6 of 17	15	5	Operations
150	Alexander & Baldwin/38	Robert J Pfeiffer/65	719	97	146	961	6 of 16	25	5	Operations
172	Alleghany/26	Fred M Kirby/66	539	355	—	894	3 of 16	27	17	Investment
130	Allegheny Intl/15	Robert J Buckley/61	1,004	8	—	1,011	18 of 37	13	10	Operations
635	Allegheny Power/16	[1]Charles B Finch/65	325	—	—	325	23 of 71	31	13	Legal
731	Allied Bancshares/ 6	Gerald H Smith/54	194	29	—	223	139 of 150	26	13	Banking
83	Allied Corp/15	Edward L Hennessy Jr/57	1,100	20	132	1,252	11 of 37	6	6	Finance
178	Allied Stores/34	Thomas M Macioce/66	850	28	—	878[2]	8 of 16	25	13	Legal
573	Alltel/39	Weldon W Case/64	378	—	—	378	15 of 18	25	24	Operations
247	Alcoa/26	Charles W Parry/60	740	22	—	762	7 of 16	37	2	Operations
324	AMAX/26	Pierre Gousseland/63	630	23	—	653	9 of 16	36	8	Technical
441	Amerada Hess/32	Philip Kramer/64	485	24	—	509	25 of 34	16	3	Administration
66	American Brands/15	Edward W Whittemore/62	1,135	30	197	1,362	9 of 37	38	4	Marketing
143	Amer Broadcasting/ 8	Leonard H Goldenson/79	962	11	—	973	2 of 5	51	35	Legal
39	American Can/30	William S Woodside/63	1,040	4	758	1,802	1 of 5	35	5	Operations
153	American Continental/ 9	Charles H Keating Jr/62	922	36	—	958	1 of 4	9	9	Legal
213	American Cyanamid/11	George J Sella Jr/56	788	13	24	825	7 of 17	30	2	Operations
505	American Electric/16	Willis S White Jr/58	431	9	—	440	9 of 71	36	9	Technical

NOTE: For explanation of industry group rankings, see page 153. [1]Succeeded by Klaus Bergman. 4/1/85. [2]Figures are for year ended 1/31/84.

Who Gets The Most Pay

			Compensation ($000)					Tenure (years)		
Rank	Company/industry group	Chief executive/age	salary and bonus	other	stock gains	total	Rank in industry	with firm	as CEO	Business background
85	American Express/19	James D Robinson III/49	1,224	—	—	1,224	3 of 12	14	8	Finance
534	American Fletcher/ 6	Frank E McKinney Jr/46	342	5	67	413	75 of 150	17	12	Banking
187	American General/24	Harold S Hook/53	829	30	—	859	4 of 28	14	6	Insurance
714	American Greetings/33	Irving I Stone/76	250	—	—	250	14 of 14	61	25	Administration
74	American Home Products/21	John W Culligan/68	975	325	—	1,300	10 of 31	48	4	Marketing
347	American Hospital/21	Karl D Bays/51	622	—	—	622	23 of 31	26	14	Sales
230	American Info Tech/39	William L Weiss/56	745	54	—	799	6 of 18	34	1	Operations
75	American Intl Group/24	Maurice R Greenberg/60	750	—	547	1,297	2 of 28	24	18	Insurance
221	American Medical/21	Royce Diener/67	810	—	—	810	19 of 31	15	9	Finance
681	American Motors/ 4	José J Dedeurwaerder/52	279	6	—	285	9 of 9	3	1	Operations
588	American Natl Ins/24	Orson C Clay/54	312	54	—	367	23 of 28	14	7	Administration
269	American Natural Res/27	[3]Arthur R Seder Jr/65	610	21	104	735	5 of 25	25	8	Legal
613	American Petrofina/32	Paul D Meek/54	335	12	—	347	31 of 34	29	2	Technical
340	American President/38	Wilbur B Seaton/60	609	21	—	630	13 of 16	15	2	Finance
325	American S&L Fla/41	Morris N Broad/50	334	—	316	650	5 of 33	28	20	Finance
605	American Security/ 6	[4]W Jarvis Moody/57	352	—	—	352	96 of 150	21	5	Banking
79	American Standard/38	William A Marquard/65	855	85	323	1,263	2 of 16	32	13	Operations
323	American Stores/35	Lennie S Skaggs/61	653	—	—	653[5]	8 of 18	40	19	Retailing
86	American Tel & Tel/39	Charles L Brown/63	990	229	—	1,218	3 of 18	39	6	Operations
648	AmeriTrust/ 6	Jerry V Jarrett/53	302	18	—	320	111 of 150	11	1	Banking
471	Amfac/15	Myron Du Bain/62	450	27	—	477	33 of 37	2	2	Insurance
107	Amoco/32	Richard M Morrow/59	838	38	208	1,084	9 of 34	37	1	Technical
425	AMP/18	Walter F Raab/61	413	114	—	527	11 of 14	32	3	Finance
78	AMR/ 2	[6]Albert V Casey/65	475	—	790	1,265	2 of 13	11	11	Finance
553	AmSouth Bancorp/ 6	John W Woods/53	399	—	—	399	82 of 150	15	13	Banking
526	Anderson, Clayton/20	[7]Thomas J Barlow/63	411	9	—	421	21 of 28	39	18	Operations
100	Anheuser-Busch Cos/ 7	August A Busch III/48	1,106	1	—	1,107	2 of 5	28	10	Operations
714	Apollo Computer/13	Thomas A Vanderslice/53	250	—	—	250	16 of 17	1	1	Administration
20	Apple Computer/13	John Sculley/46	2,164	—	175	2,339	4 of 17	2	2	Marketing
263	Archer Daniels/20	Dwayne O Andreas/67	741	—	—	741	15 of 28	14	14	Finance
184	Arizona Bancwest/ 6	Donald B Tostenrud/60	404	8	455	866	11 of 150	25	7	Finance
587	Arizona Public Svc/16	Keith L Turley/62	357	10	—	367	15 of 71	33	11	Administration
330	Arkla/27	[8]Edward Sheffield Nelson/44	550	14	79	643	7 of 25	21	12	Legal
476	Armco/26	[9]Harry Holiday Jr/61	452	19	—	471	12 of 16	36	6	Operations
582	Armstrong World Inds/10	Joseph L Jones/62	362	1	8	371	10 of 10	37	1	Operations
584	Asarco/26	Ralph L Hennebach/65	370	—	—	370	16 of 16	43	3	Technical
501	Ashland Oil/32	John R Hall/52	425	18	—	444	26 of 34	27	3	Technical
331	Associated Dry Goods/34	Joseph H Johnson/63	510	—	132	642	14 of 16	8	1	Operations
692	Atlantic Bancorp/ 6	Billy J Walker/54	262	—	14	276	127 of 150	36	9	Banking
743	Atlantic City Elec/16	[10]John D Feehan/56	205	—	—	205	57 of 71	32	12	Technical
131	Atlantic Richfield/32	William F Kieschnick/62	825	37	145	1,008	14 of 34	38	3	Technical
307	Automatic Data Proc/36	Josh S Weston/56	365	—	305	670	3 of 16	14	2	Operations
12	Avnet/18	Anthony R Hamilton/60	1,049	282	2,520	3,851	1 of 14	28	5	Marketing
204	Avon Products/14	Hicks B Waldron/61	797	38	—	835	6 of 17	1	1	Marketing
69	Baker International/29	Earnest H Clark Jr/58	911	45	383	1,339	1 of 6	37	20	Technical

NOTE: For explanation of industry group rankings, see page 153. [3]Succeeded by William T McCormick Jr, 5/1/85. [4]Succeeded by Daniel J Callahan III, 1/1/85. [5]Figures are for year ended 1/31/84. [6]Succeeded by Robert L Crandall, 3/1/85. [7]Succeeded by W Fenton Guinee, 2/1/85. [8]Succeeded by Thomas F McLarty, 3/1/85. [9]Succeeded by Robert E Boni, 2/1/85. [10]Succeeded by E Douglas Huggard, 4/23/85.

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure (years) with firm	as CEO	Business background
314	Bally Manufacturing/25	Robert E Mullane Jr/53	592	72	—	665	7 of 12	12	5	Administration
577	Baltimore Gas & Elec/16	Bernard C Trueschler/62	338	36	—	374	13 of 71	37	5	Technical
533	Banc One/ 6	John B McCoy/42	414	—	—	414	74 of 150	18	1	Banking
711	Banco Popular PR/ 6	Rafael Carrión Jr/70	209	43	—	251	134 of 150	52	28	Banking
632	BancOklahoma/ 6	Leonard J Eaton Jr/50	304	29	—	333	106 of 150	13	6	Banking
628	Bancorp Hawaii/ 6	Frank J Manaut/61	325	12	—	338	103 of 150	34	4	Banking
391	Bank of Boston/ 6	William L Brown/63	519	43	—	562	39 of 150	36	2	Banking
667	Bank of New England/ 6	Peter H McCormick/49	288	5	—	293	117 of 150	21	1	Banking
298	Bank of New York/ 6	John Carter Bacot/52	680	—	—	680	26 of 150	25	3	Finance
313	Bank of Virginia/ 6	Frederick Deane Jr/58	412	31	223	665	27 of 150	31	11	Finance

So why did he change the formula?

Roberto Goizueta of Coca-Cola made $1.77 million last year. Donald Kendall of PepsiCo made $1.05 million.

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure (years) with firm	as CEO	Business background
609	Bank South/ 6	Robert P Guyton/48	333	16	—	349	97 of 150	4	3	Banking
341	BankAmerica/ 6	Samuel H Armacost/46	629	—	—	629	30 of 150	23	4	Banking
33	Bankers Trust NY/ 6	Alfred Brittain III/62	780	322	823	1,925	2 of 150	38	10	Banking
684	Banks of Mid-America/ 6	John W McLean/63	284	—	—	284	124 of 150	17	17	Banking
402	Barnett Banks Fla/ 6	Charles E Rice/49	542	12	—	554	42 of 150	19	5	Banking
406	Bausch & Lomb/21	Daniel E Gill/49	544	—	—	544	27 of 31	6	4	Finance
193	Baxter Travenol Labs/21	Vernon R Loucks Jr/50	465	—	387	852	18 of 31	19	5	Marketing
572	BayBanks/ 6	William M Crozier Jr/52	320	20	39	379	90 of 150	21	10	Banking
117	Beatrice/20	James L Dutt/60	1,058	—	—	1,058	8 of 28	37	5	Administration
283	Becton, Dickinson/21	Wesley J Howe/64	620	87	—	708	20 of 31	36	10	Administration
245	Bell Atlantic/39	Thomas E Bolger/57	434	332	—	766	7 of 18	42	1	Administration
401	BellSouth/39	John L Clendenin/51	538	17	—	555	14 of 18	29	1	Operations
179	Beneficial Corp/19	Finn M W Caspersen/43	688	189	—	877	6 of 12	13	8	Finance
64	Bergen Brunswig/21	Emil P Martini Jr/56	633	31	756	1,420	7 of 31	33	16	Technical
780	Berkshire Hathaway/15	Warren E Buffett/54	100	—	—	100	37 of 37	20	15	Investment
532	Best Products/35	Andrew M Lewis/39	414	—	—	414	14 of 18	16	1	Retailing
447	Bethlehem Steel/26	Donald H Trautlein/58	487	15	—	502	11 of 16	8	5	Finance
37	Beverly Enterprises/21	Robert Van Tuyle/72	470	115	1,291	1,876	5 of 31	13	10	Administration
651	Big Three Industries/29	Harry K Smith/73	309	5	—	314	5 of 6	59	21	Administration
195	Black & Decker/14	Laurence J Farley/49	625	—	225	850	5 of 17	6	2	Finance
445	Boatmen's Bancshares/ 6	Donald N Brandin/63	505	—	—	505	53 of 150	29	12	Banking
106	Boeing/ 1	Thornton A Wilson/64	997	94	—	1,091	5 of 12	42	16	Technical
32	Boise Cascade/31	John B Fery/55	565	50	1,323	1,937	1 of 17	28	12	Production
77	Borden/20	Eugene J Sullivan/64	792	220	259	1,271	4 of 28	39	5	Sales
49	Borg-Warner/15	James F Beré/62	730	—	881	1,611	5 of 37	24	13	Production
687	Boston Edison/16	Stephen J Sweeney/56	282	—	—	282	34 of 71	31	1	Technical
488	Bowater/31	Anthony P Gammie/50	443	18	—	461	12 of 17	30	2	Production
23	Bristol-Myers/21	Richard L Gelb/61	1,088	—	1,117	2,205	3 of 31	35	13	Administration
342	Brown-Forman/ 7	W L Lyons Brown Jr/48	615	14	—	628	4 of 5	24	9	Marketing
232	Brown Group/ 3	Bernard A Bridgewater Jr/51	576	22	190	789	2 of 4	6	3	Administration

NOTE: For explanation of industry group rankings, see page 153.

Who Gets The Most Pay

			Compensation ($000)					Tenure (years)		
Rank	Company/industry group	Chief executive/age	salary and bonus	other	stock gains	total	Rank in industry	with firm	as CEO	Business background
638	Browning-Ferris Inds/36	Harry J Phillips Sr/55	325	—	—	325	14 of 16	15	7	Founder
148	Brunswick/25	Jack F Reichert/54	699	265	—	964	1 of 12	27	3	Marketing
34	Brush Wellman/26	Henry G Piper/63	543	14	1,359	1,916	2 of 16	26	7	Technical
421	Burlington Inds/40	William A Klopman/63	440	90	—	530	2 of 2	39	8	Marketing
58	Burlington Northern/38	Richard M Bressler/54	1,030	110	377	1,516	1 of 16	5	5	Finance
134	Burroughs/13	W Michael Blumenthal/59	950	47	—	997	6 of 17	5	4	Administration
61	Cabot/32	Robert A Charpie/59	591	893	—	1,484	5 of 34	16	16	Technical
451	CalFed/41	[11]Robert R Dockson/67	499	—	—	499	7 of 33	16	12	Administration
702	California First Bk/ 6	Yasushi Sumiya/57	229	36	—	265	131 of 150	4	4	Banking
359	Campbell Soup/20	R Gordon McGovern/58	580	1	24	605	16 of 28	29	4	Marketing
352	Capital Cities/33	Thomas S Murphy/60	535	77	—	612	11 of 14	30	18	Administration
246	Capital Holding/24	Thomas C Simons/56	748	15	—	763	7 of 28	7	7	Insurance
655	Carolina Pwr & Lt/16	Sherwood H Smith Jr/50	304	7	—	311	25 of 71	20	5	Legal
239	Carter Hawley Hale/34	Philip M Hawley/59	771	—	—	771	11 of 16	27	8	Retailing
639	Carteret S&L/41	Robert B O'Brien Jr/50	324	—	—	324	20 of 33	10	10	Banking
657	Castle & Cooke/20	Robert D Cook/55	310	—	—	310	24 of 28	7	1	Finance
309	Caterpillar Tractor/22	[12]Lee L Morgan/65	640	29	—	669	1 of 2	39	7	Marketing
93	CBS/ 8	Thomas H Wyman/55	1,165	15	—	1,180	1 of 5	5	5	Marketing
541	CBT/ 6	Walter J Connolly Jr/56	408	—	—	408	77 of 150	24	8	Banking
43	Celanese/11	John D Macomber/57	900	—	788	1,688	2 of 17	12	7	Administration
273	Centel/39	Robert P Reuss/67	545	185	—	730	8 of 18	12	12	Operations
585	Centerre Bancorp/ 6	Clarence C Barksdale/53	352	16	2	369	91 of 150	26	7	Banking
598	Central & South West/16	Durwood Chalker/61	341	16	—	357	18 of 71	35	5	Technical
550	Central Bancorp/ 6	Oliver W Birckhead/63	400	—	—	400	80 of 150	34	13	Administration
685	Central Bancshares/ 6	Harry B Brock Jr/59	271	12	—	284	125 of 150	14	14	Founder
599	Central Fidelity Banks/ 6	Carroll L Saine/51	340	15	—	355	94 of 150	28	4	Banking
762	Central Ill Pub Svc/16	Donald G Raymer/60	177	1	—	177	66 of 71	37	4	Operations
517	Central Soya/20	[13]Douglas G Fleming/55	430	—	—	430	20 of 28	31	5	Sales
563	Centran/ 6	Wilson M Brown Jr/58	391	—	—	391	87 of 150	6	4	Banking
123	Champion Intl/31	Andrew C Sigler/53	753	18	271	1,042	3 of 17	28	10	Sales
781	Charter/32	Alexander P Zechella/64	50	—	—	50[14]	34 of 34	5	1	Technical
175	Chase Manhattan/ 6	Willard C Butcher/58	820	70	—	889	10 of 150	38	5	Banking
225	Chemical New York/ 6	Walter V Shipley/49	625	181	—	806	17 of 150	28	1	Banking
248	Chesebrough-Pond's/14	Ralph E Ward/64	523	238	—	762	8 of 17	38	17	Marketing
252	Chevron/32	George M Keller/61	696	57	—	753	20 of 34	37	4	Technical
6	Chrysler/ 4	Lee Iacocca/60	1,195	—	4,315	5,510	1 of 9	6	5	Operations
483	Chubb/24	Henry U Harder/60	419	43	—	463	17 of 28	36	4	Insurance
169	Cigna/24	Robert D Kilpatrick/61	574	82	241	897	3 of 28	3	3	Insurance
706	Cincinnati G&E/16	William H Dickhoner/63	215	44	—	259	42 of 71	44	9	Technical
766	Circle K/37	Karl Eller/57	167	—	—	167	17 of 17	1	1	Marketing
595	Citadel Holding/41	Spencer Scott/62	362	—	—	362	15 of 33	39	15	Banking
205	Citicorp/ 6	John S Reed/46	678	27	130	835	13 of 150	20	1	Banking
379	Citizens & So Ga/ 6	Bennett A Brown/56	456	43	82	580	36 of 150	30	7	Banking
630	Citizens & So SC/ 6	Hugh M Chapman/52	331	6	—	337	104 of 150	26	10	Banking
529	Citizens Fidelity/ 6	J David Grissom/46	419	—	—	419	73 of 150	12	8	Legal

NOTE: For explanation of industry group rankings, see page 153. [11]Succeeded by George P Rutland, 1/1/85. [12]Succeeded by George A Schaefer, 2/1/85. [13]Succeeded by Donald P Eckrich, 1/6/85. [14]Salary would increase to $300,000 in 1985, subject to Bankruptcy Court approval.

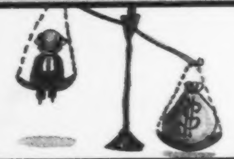
Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure (years) with firm	as CEO	Business background
14	City National/ 6	Bram Goldsmith/62	641	2,529	—	3,170	1 of 150	10	10	Finance
47	CityFed Financial/41	Gilbert G Roessner/67	606	46	976	1,628	1 of 33	44	15	Banking
633	Cleveland Electric/16	Robert M Ginn/61	312	20	—	332	22 of 71	36	6	Technical
358	Clorox/14	Calvin S Hatch/64	576	30	—	606	14 of 17	13	4	Sales
293	Coastal Corp/32	Oscar S Wyatt Jr/60	678	19	—	697	21 of 34	29	29	Founder
40	Coca-Cola/ 7	Roberto C Goizueta/54	1,275	300	192	1,767	1 of 5	30	4	Technical
282	Colgate-Palmolive/14	Reuben Mark/46	709	—	—	709	9 of 17	22	1	Marketing
337	Collins & Aikman/40	Donald F McCullough/60	634	—	—	634	1 of 2	39	24	Marketing
439	Colonial Penn Group/24	John J MacWilliams/56	500	13	—	513	14 of 28	16	15	Administration
686	Colorado Natl Bkshs/ 6	Bruce M Rockwell/62	283	—	—	283	126 of 150	31	9	Banking
44	Colt Industries/23	David I Margolis/55	994	154	519	1,667	1 of 11	22	1	Finance
623	Columbia Gas System/27	John H Croom/52	325	15	—	340	23 of 25	31	1	Marketing
67	Columbia S&L/41	Thomas Spiegel/39	1,350	—	—	1,350	2 of 33	8	8	Finance
464	Combined Intl/24	Patrick G Ryan/48	430	53	—	483	16 of 28	21	2	Insurance
272	Combustion Eng/23	Charles E Hugel/56	730	—	—	730	8 of 11	2	1	Operations
470	Comerica/ 6	Donald R Mandich/59	478	—	—	478	59 of 150	34	4	Banking
754	Commerce Bcshs/ 6	James M Kemper Jr/63	179	7	—	185	144 of 150	38	18	Banking
674	Commerce Union/ 6	[15]Edward G Nelson/59	289	—	—	289	120 of 150	21	2	Finance
621	Commonwealth Ed/16	James J O'Connor/48	341	—	—	341	21 of 71	21	5	Administration
363	Community Psych Ctrs/21	James W Conte/57	500	99	—	599	25 of 31	16	8	Administration
398	Computervision/13	James R Berrett/45	450	106	—	556	12 of 17	2	2	Technical
70	ConAgra/20	Charles M Harper/57	758	570	—	1,328	3 of 28	10	9	Administration
397	Consolidated Edison/16	Arthur Hauspurg/60	415	142	—	557	2 of 71	16	3	Technical
127	Consol Freightways/38	Raymond F O'Brien/63	636	358	32	1,026	3 of 16	27	8	Finance
351	Consol Natural Gas/27	George J Tankersley/64	555	42	18	615	11 of 25	18	6	Operations
670	Consolidated Papers/31	George W Mead/57	278	12	—	290	17 of 17	32	19	Operations
689	Consumers Power/16	John D Selby/63	280	—	—	280	35 of 71	10	7	Technical
216	Continental Bancorp/ 6	Roy T Peraino/57	448	46	324	818	15 of 150	27	15	Finance
576	Continental Corp/24	John P Mascotte/46	357	18	—	375	22 of 28	4	2	Insurance
724	Continental Illinois/ 6	John E Swearingen/66	232	—	—	232	137 of 150	1	1	Administration
328	Continental Telecom/39	[16]James V Napier/48	590	55	—	645	12 of 18	20	2	Finance
305	Control Data/13	William C Norris/73	675	—	—	675	8 of 17	27	27	Founder
234	Cooper Industries/23	Robert Cizik/54	613	169	—	782	6 of 11	23	10	Finance
436	Cooper Laboratories/21	Parker G Montgomery/56	350	167	—	517	29 of 31	26	26	Founder
433	CoreStates Financial/ 6	G Morris Dorrance Jr/62	519	—	—	519	50 of 150	33	16	Finance
415	Corning Glass Works/21	James R Houghton/49	492	—	43	535	28 of 31	23	2	Administration
362	Cox Communications/ 8	William A Schwartz/47	600	—	—	600	3 of 5	12	2	Marketing
465	CPC International/20	James R Eiszner/57	438	44	—	482	18 of 28	21	1	Technical
494	Cray Research/13	John A Rollwagen/44	385	10	56	451	13 of 17	9	4	Marketing
170	Crocker National/ 6	Frank V Cahouet/52	647	250	—	897	9 of 150	1	1	Banking
624	Crown Central Pet/32	Henry A Rosenberg Jr/55	326	14	—	339	32 of 34	32	14	Administration
725	Crown Cork & Seal/30	John F Connelly/80	231	1	—	231	5 of 5	28	28	Sales
468	Crown Zellerbach/31	William T Creson/55	472	9	—	481	10 of 17	8	3	Technical
142	CSX/38	Hays T Watkins/59	973	—	—	973	5 of 16	36	14	Finance
641	Cullen/Frost Bankers/ 6	Thomas C Frost/57	301	23	—	324	107 of 150	35	14	Banking

NOTE: For explanation of industry group rankings, see page 153. [15]Succeeded by Dennis C Bottorff, 1/1/85. [16]Succeeded by John N Lemasters, 2/1/85.

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure (years) with firm	as CEO	Business background
260	Cullinet Software/36	John J Cullinane/50	717	27	—	744	2 of 16	17	17	Founder
616	Cullum Companies/27	[17]Charles G Cullum/68	338	7	—	345	15 of 17	47	8	Founder
50	Cummins Engine/ 5	Henry B Schacht/50	932	656	—	1,588	2 of 12	20	15	Administration
366	Cyclops/26	William H Knoell/60	484	—	112	596	10 of 16	18	12	Legal
742	Dallas Federal Fin'l/41	Lloyd S Bowles Sr/68	205	—	—	205	27 of 33	40	13	Finance
284	Dana/ 5	Gerald B Mitchell/57	678	—	26	704	6 of 12	41	5	Operations
125	Dart & Kraft/20	John M Richman/57	890	26	120	1,036	9 of 28	30	6	Legal
4	Data General/13	Edson D de Castro/46	436	—	7,529	7,966	1 of 17	17	17	Founder
738	Dauphin Deposit/ 6	John D Wickert/62	208	—	—	208	142 of 150	11	5	Banking
45	Dayton-Hudson/34	Kenneth A Macke/46	843	277	509	1,629	2 of 16	23	1	Retailing
683	Dayton Power & Lt/16	[18]Robert E Frazer/56	274	10	—	284	33 of 71	10	7	Finance
602	Deere/22	Robert A Hanson/60	351	3	—	354	2 of 2	35	2	Marketing
734	Delmarva Power & Lt/16	Nevius M Curtis/55	214	—	—	214	54 of 71	6	3	Administration
564	Delta Air Lines/ 2	David C Garrett Jr/62	391	—	—	391	11 of 13	38	7	Operations
571	Deluxe Check/33	Eugene R Olson/59	342	40	—	382	13 of 14	41	7	Marketing
760	Deposit Guaranty/ 6	Emerson B Robinson Jr/42	171	10	—	181	145 of 150	17	1	Banking
417	Detroit Edison/16	Walter J McCarthy Jr/60	472	61	—	532	3 of 71	21	3	Operations
165	Diamond Shamrock/32	William H Bricker/53	892	17	—	908	18 of 34	16	8	Marketing
322	Digital Equipment/13	Kenneth H Olsen/59	655	—	—	655	10 of 17	27	27	Founder
42	Digital Switch/39	James L Donald/53	450	—	1,254	1,704	1 of 18	4	3	Administration
166	Dillard Dept Stores/34	William T Dillard Sr/70	878	30	—	908	7 of 16	46	46	Founder
254	Walt Disney/25	Michael D Eisner/43	750*	—	—	750	4 of 12	1	1	Operations
600	Dominion Bankshares/ 6	Warner N Dalhouse/51	339	—	16	354	95 of 150	29	3	Marketing
661	Dominion Resources/16	William W Berry/53	304	—	—	304	28 of 71	28	2	Technical
158	RR Donnelley/33	John B Schwemm/51	546	129	268	943	5 of 14	20	1	Legal
482	Dover/10	Gary L Roubos/48	460	4	—	464	9 of 10	14	4	Operations
89	Dow Chemical/11	Paul F Oreffice/57	1,185	11	—	1,196	3 of 17	32	7	Finance
51	Dow Jones/33	Warren H Phillips/59	615	468	495	1,578	2 of 14	38	10	Journalism
778	Downey Savings & Loan/41	Gerald H McQuarrie/63	139	—	—	139	31 of 33	28	7	Founder
713	Dresser Industries/29	John J Murphy/53	251	—	—	251	6 of 6	33	1	Technical



Not always to the swift

The top-paid CEO in an industry managed the most profitable firm in that industry in 12 out of 42 cases.

Rank	Company/industry group	Chief executive/age	salary and bonus	other	stock gains	total	Rank in industry	with firm	as CEO	Business background
92	EI Du Pont/32	Edward G Jefferson/63	1,092	48	46	1,186	6 of 34	34	4	Technical
640	Duke Power/16	William S Lee/56	264	60	—	324	24 of 71	30	3	Technical
18	Dun & Bradstreet/33	[19]Harrington Drake/65	975	135	1,459	2,569	1 of 14	37	10	Marketing
695	Duquesne Light/16	John M Arthur/62	272	1	—	273	39 of 71	40	16	Operations
19	E-Systems/ 1	John W Dixon/65	1,624	48	894	2,566	1 of 12	23	16	Administration
646	Eastern Air Lines/ 2	Frank Borman/57	322	—	—	322	12 of 13	15	9	Technical
444	Eastern Gas & Fuel/27	William J Pruyn/62	429	—	77	506	15 of 25	33	7	Finance
235	Eastman Kodak/25	Colby H Chandler/60	781	—	—	781	2 of 12	34	1	Technical
22	Eaton/ 5	E Mandell de Windt/64	968	592	700	2,260	1 of 12	43	15	Operations
431	Jack Eckerd/35	Stewart Turley/50	481	7	32	520	11 of 18	18	10	Administration

NOTE: For explanation of industry group rankings, see page 153. *Annualized current salary. [17]Succeeded by Jack W Evans, 1/1/85. [18]Succeeded by Peter H Forster, 12/31/84. [19]Succeeded by Charles W Moritz, 1/1/85.

Who Gets The Most Pay

			Compensation ($000)					Tenure (years)		
Rank	Company/industry group	Chief executive/age	salary and bonus	other	stock gains	total	Rank in industry	with firm	as CEO	Business background
90	EG&G/ 1	Dean W Freed/62	812	—	379	1,191	3 of 12	14	2	Technical
728	El Paso Electric/16	Evern R Wall/52	226	1	—	227	51 of 71	28	9	Technical
26	Emerson Electric/17	Charles F Knight/49	1,025	10	1,091	2,126	1 of 5	12	11	Administration
186	Emhart/23	T Mitchell Ford/64	850	12	—	862	3 of 11	26	15	Legal
316	Engelhard/11	Orin R Smith/49	662	—	—	662	10 of 17	13	1	Administration
233	Enserch/27	William C McCord/57	725	19	44	788	4 of 25	36	14	Technical
676	Equimark/ 6	James D Lowry/44	288	—	—	288	121 of 150	2	1	Banking
448	Equitable Bancorp/ 6	H Grant Hathaway/57	501	—	—	501	55 of 150	30	3	Banking
586	Equitable Resources/27	Donald I Moritz/58	293	2	74	368	20 of 25	33	7	Legal
376	Ethyl/11	Floyd D Gottwald Jr/62	562	21	—	583	11 of 17	42	15	Administration
568	Evans Products/35	Victor Posner/67	384	—	—	384[20]	15 of 18	3	1	Administration
17	Exxon/32	Clifton C Garvin Jr/63	1,350	60	1,236	2,645	2 of 34	38	9	Technical
611	Farm & Home Savings/41	C A Duncan Jr/68	348	—	—	348	17 of 33	40	29	Administration
524	Farm House Foods/36	Donald E Runge/47	394	27	—	422	12 of 16	19	1	Founder
339	Farmers Group/24	Richard G Lindsley/63	573	57	—	631	11 of 28	34	6	Insurance
755	Federal Co/20	R Lee Taylor II/43	185	—	—	185	25 of 28	19	3	Administration
556	Federal Express/ 2	Frederick W Smith/40	395	2	—	397	10 of 13	14	14	Founder
617	Fedl Natl Mortgage/19	David O Maxwell/55	340	4	—	344	11 of 12	4	4	Legal
133	Federated Dept Stores/34	Howard Goldfeder/59	715	5	282	1,002	6 of 16	38	4	Retailing
390	Fidelcor/ 6	Harold W Pote/38	385	52	125	563	38 of 150	13	1	Banking
591	Fifth Third Bancorp/ 6	Clement L Buenger/59	263	30	71	364	92 of 150	15	4	Banking
430	Fin Corp of America/41	William J Popejoy/47	520*	—	—	520	6 of 33	1	1	Banking
606	Fin Corp Santa Barbara/41	Philip R Brinkerhoff/42	350*	—	—	350	16 of 33	1	1	Finance
281	Firestone/ 5	John J Nevin/58	675	39	—	714	5 of 12	5	4	Marketing
645	First Alabama Bcshs/ 6	Willard L Hurley/59	294	27	—	322	109 of 150	27	1	Banking
450	First American/ 6	Kenneth L Roberts/52	369	8	123	500	57 of 150	9	8	Banking
410	First Atlanta/ 6	Thomas R Williams/56	470	70	—	540	44 of 150	12	8	Banking
498	First Bank System/ 6	George H Dixon/64	431	18	—	449	67 of 150	17	3	Finance
46	First Boston/19	Peter T Buchanan/50	1,400	228	—	1,628	2 of 12	28	2	Investment
400	First Chicago/ 6	Barry F Sullivan/54	523	32	—	555	41 of 150	4	4	Banking
735	First Citizens/ 6	Lewis R Holding/57	208	3	—	211	141 of 150	31	27	Finance
502	First City Bancorp/ 6	James A Elkins Jr/66	441	—	—	441	69 of 150	43	22	Banking
720	First Columbia Finl/41	Bob R Baker/48	239	—	—	239	25 of 33	19	2	Banking
730	First Empire State/ 6	Robert G Wilmers/51	225	—	—	225	138 of 150	2	2	Banking
9	First Executive/24	Fred Carr/54	742[21]	—	3,723	4,465	1 of 28	10	10	Finance
642	First Federal Mich/41	James A Aliber/59	323	—	—	323	21 of 33	28	8	Banking
548	First Federal S&L/41	Gene E Rice/55	372	30	—	402	11 of 33	31	3	Banking
785	First Florida Banks/ 6	A Bronson Thayer/45	8[22]	—	—	8	150 of 150	3	2	Finance
569	First Hawaiian/ 6	John D Bellinger/62	383	—	—	383	89 of 150	43	15	Banking
152	First Interstate Bncp/ 6	Joseph J Pinola/60	905	—	53	958	8 of 150	9	7	Banking
381	First Kentucky Natl/ 6	A Stevens Miles/55	337	12	229	579	37 of 150	31	10	Banking
708	First Maryland Bncp/ 6	Charles W Cole Jr/56	258	1	—	259	133 of 150	29	1	Banking
732	First Natl Cincinnati/ 6	Oliver W Waddell/54	221	—	—	221	140 of 150	28	1	Banking
478	First Natl State Bncp/ 6	Robert R Ferguson Jr/61	470	—	—	470	62 of 150	35	12	Banking
555	First Natl Supermkts/37	Richard J Bogomolny/50	397	—	—	397	13 of 17	12	10	Administration

NOTE: For explanation of industry group rankings, see page 153. *Annualized current salary. [20]Figure is for year ended 12/31/83. [21]Salary and bonus, for year ended 12/31/83; stock gains, for 1984. [22]Director's fee only.

Who Gets The Most Pay

			Compensation ($000)					Tenure (years)		
Rank	Company/industry group	Chief executive/age	salary and bonus	other	stock gains	total	Rank in industry	with firm	as CEO	Business background
518	First of America Bk/ 6	James H Duncan/60	395	33	—	427	71 of 150	35	15	Banking
777	First Oklahoma Bancorp/ 6	Charles A Vose Jr/41	130	10	—	140	149 of 150	20	4	Banking
473	First Pennsylvania/ 6	George A Butler/57	420	2	54	476	60 of 150	35	5	Banking
625	First Security/ 6	Spencer F Eccles/50	332	7	—	339	101 of 150	26	4	Banking
610	First Tennessee Natl/ 6	Ronald Terry/54	337	12	—	349	98 of 150	28	11	Banking
443	First Union/ 6	Edward E Crutchfield Jr/43	493	13	—	506	52 of 150	20	1	Banking
620	First Virginia Banks/ 6	[23]Thomas K Malone Jr/65	327	14	—	341	100 of 150	34	6	Banking
535	First Wisconsin/ 6	Hal C Kuehl/62	305	14	94	413	76 of 150	37	7	Banking
257	Fleet Financial/ 6	J Terrence Murray/45	510	30	205	745	19 of 150	22	3	Finance
237	Fleetwood Enterprises/25	John C Crean/59	776	—	—	776	3 of 12	35	35	Founder
338	Fleming Cos/36	Richard D Harrison/62	633	—	—	633	5 of 16	31	19	Legal
704	Florida Federal S&L/41	Raleigh W Greene Jr/58	263	—	—	263	23 of 33	22	17	Legal
700	Florida Natl Banks/ 6	John D Uible/49	265	—	—	265	129 of 150	1	1	Banking
703	Florida Progress/16	Andrew H Hines Jr/62	264	—	—	264	41 of 71	33	12	Technical
543	Fluor/ 9	David S Tappan Jr/63	406	—	—	406	4 of 4	33	1	Sales
168	FMC/15	Robert H Malott/58	882	19	—	902	20 of 37	32	13	Operations
458	Food Lion/37	Ralph W Ketner/64	461	31	—	492	11 of 17	27	27	Founder
11	Ford Motor/ 4	[24]Philip Caldwell/65	1,581	—	2,485	4,066	2 of 9	32	5	Administration
198	Fort Howard Paper/31	Paul J Schierl/50	490	39	315	844	4 of 17	21	10	Legal
741	Foster Wheeler/23	Louis E Azzato/54	205	—	—	205	10 of 11	33	4	Technical
604	FPL Group/16	Marshall McDonald/67	339	13	—	352	19 of 71	13	1	Administration
405	Freeport-McMoRan/11	James R Moffett/46	530	16	—	546	12 of 17	15	1	Technical
259	Fruehauf/ 4	Robert D Rowan/63	744	—	—	744	4 of 9	29	11	Finance
56	Gannett/33	Allen H Neuharth/61	1,250	—	271	1,521	3 of 14	22	12	Journalism
261	GATX/38	James J Glasser/51	655	89	—	744	10 of 16	23	6	Legal
530	Geico/24	John J Byrne/52	419	—	—	419	19 of 28	9	9	Insurance
440	Gelco/36	N Bud Grossman/64	509	—	1	510	8 of 16	28	28	Founder
485	GenCorp/ 5	Michael G O'Neil/63	462	—	—	462	11 of 12	39	25	Administration
427	General Cinema/ 7	Richard A Smith/60	525	2	—	527	5 of 5	38	38	Administration
121	General Dynamics/ 1	David S Lewis/67	1,019	23	—	1,042	6 of 12	14	14	Technical
30	General Electric/15	John F Welch Jr/49	1,313	31	645	1,988	3 of 37	24	4	Technical
137	General Foods/20	James L Ferguson/59	968	12	—	981	10 of 28	22	11	Marketing
360	General Host/37	Harris J Ashton/53	604	—	—	604	7 of 17	20	15	Legal
176	General Mills/20	H Brewster Atwater Jr/54	675	25	188	888	13 of 28	27	4	Marketing
48	General Motors/ 4	Roger B Smith/59	1,592	22	—	1,614	3 of 9	35	4	Finance
659	General Public Utils/16	William G Kuhns/63	305	—	—	305	27 of 71	29	18	Finance
618	General Re/24	Frank W Munson/57	327	17	—	344	24 of 28	31	1	Insurance
370	General Signal/18	David T Kimball/57	590	—	—	590	6 of 14	12	1	Administration
474	Genuine Parts/ 5	Wilton Looney/66	475	—	—	475	10 of 12	46	23	Operations
712	Georgia Federal Bank/41	John B Zellars/61	251	—	—	251	24 of 33	34	8	Banking

NOTE: For explanation of industry group rankings, see page 153. [23]Succeeded by Robert H Zalokar, 1/1/85. [24]Succeeded by Donald E Peterson, 2/1/85.

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Of 785 CEOs on the list, 2 are women: Washington Post's Katharine Graham, who earned $742,000, and Golden West Financial's Marion Sandler, who earned $374,000.

Who Gets The Most Pay

			Compensation ($000)					Tenure (years)		
Rank	Company/industry group	Chief executive/age	salary and bonus	other	stock gains	total	Rank in industry	with firm	as CEO	Business background
318	Georgia-Pacific/31	T Marshall Hahn Jr/58	659	—	—	659	8 of 17	10	2	Technical
206	Giant Food/37	Israel Cohen/72	835	—	—	835	4 of 17	49	7	Founder
536	Gibraltar Financial/41	Herbert J Young/53	408	5	—	413	9 of 33	32	16	Administration
124	Gillette/14	Colman M Mockler Jr/55	676	28	334	1,038	3 of 17	27	10	Finance
629	Glendale Federal S&L/41	Raymond D Edwards/66	334	4	—	338	19 of 33	39	20	Marketing
578	Golden West Finl/41	[25]Herbert M Sandler/53	374	—	—	374	13 of 33	21	21	Founder
385	BF Goodrich/ 5	John D Ong/51	557	14	—	570	7 of 12	24	5	Legal
159	Goodyear/ 5	Robert E Mercer/61	934	—	—	934	4 of 12	38	2	Administration
315	Gould/18	William T Ylvisaker/61	662	2	—	664	4 of 14	17	17	Administration
146	WR Grace/15	J Peter Grace/72	869	102	—	971	19 of 37	48	39	Finance
382	WW Grainger/17	David W Grainger/57	496	79	—	575	4 of 5	35	11	Administration
559	Gt Am First Savings/41	Gordon C Luce/59	396	—	—	396	12 of 33	15	15	Administration
57	Great A&P Tea/37	James Wood/55	1,258	260	—	1,518	1 of 17	5	5	Retailing
746	Great Lakes Fedl S&L/41	Roy E Weber/56	200	—	—	200	28 of 33	34	15	Banking
603	Gt Northern Nekoosa/31	William R Laidig/58	353	—	—	353	15 of 17	35	1	Production
242	Gt Western Financial/41	James F Montgomery/50	768	—	—	768	3 of 33	9	6	Finance
135	Greyhound/38	John W Teets/51	992	—	—	992	4 of 16	21	3	Administration
413	Grumman/ 1	John C Bierwirth/61	525	12	—	536	12 of 12	12	10	Finance
80	GTE/39	Theodore F Brophy/62	1,030	230	—	1,260	2 of 18	27	9	Legal
740	Guarantee Financial/41	Lewis S Eaton/65	206	—	—	206	26 of 33	39	18	Banking
60	Gulf & Western Inds/15	Martin S Davis/58	1,500	—	—	1,500	8 of 37	27	2	Marketing
546	Gulf States Utilities/16	Dr Paul W Murrill/50	394	9	—	403	11 of 71	7	3	Administration
240	Halliburton/29	Thomas H Cruikshank/54	558	212	—	770	2 of 6	16	2	Legal
509	Hammermill Paper/31	Albert F Duval/64	425	10	—	435	13 of 17	25	14	Marketing
306	Harris Corp/13	Joseph A Boyd/64	670	—	—	670	9 of 17	23	7	Technical
378	Hartford National/ 6	Robert I. Newell/62	430	84	67	582	35 of 150	39	9	Banking
63	HJ Heinz/20	Anthony J F O'Reilly/49	832	417	189	1,438	2 of 28	16	5	Legal
91	Hercules/11	Alexander F Giacco/65	886	300	—	1,186	4 of 17	43	7	Technical
251	Hershey Foods/20	Richard A Zimmerman/53	467	287	—	754	14 of 28	27	1	Operations
122	Hewlett-Packard/13	John A Young/53	799	95	149	1,042	5 of 17	26	7	Technical
466	Hilton Hotels/25	Barron Hilton/57	481	—	—	481	10 of 12	30	19	Administration
515	Holiday Corp/25	Michael D Rose/43	342	10	80	431	11 of 12	11	4	Operations
539	Home Federal S&L/41	Kim Fletcher/57	409	—	—	409	10 of 33	34	16	Finance
199	Homestake Mining/26	Harry M Conger/54	425	—	418	843	4 of 16	9	6	Technical
326	Honeywell/18	Edson W Spencer/59	647	—	—	647	5 of 14	30	10	Sales
475	Horizon Bancorp/ 6	William J Shepherd/59	260	157	54	471	61 of 150	20	9	Banking
619	George A Hormel/20	Richard L Knowlton/53	339	4	—	343	23 of 28	36	3	Marketing
29	Hospital Corp/21	Dr Thomas F Frist Jr/46	251	251	1,496	1,998	4 of 31	16	2	Founder
88	Household Intl/15	Donald C Clark/53	980	79	142	1,201	12 of 37	29	2	Finance
504	Houston Industries/16	Don D Jordan/53	422	18	—	441	8 of 71	28	8	Legal
486	Houston Natural Gas/27	Kenneth L Lay/43	461	—	—	461	16 of 25	1	1	Technical
461	Hughes Tool/29	James R Lesch/63	410	12	43	465	4 of 6	38	5	Administration
2	Humana/21	David A Jones/53	722	85	17,113	17,921	1 of 31	23	23	Founder
371	Huntington Bancshs/ 6	Frank Wobst/51	516	16	55	588	33 of 150	10	4	Banking
132	EF Hutton Group/19	Robert Fomon/60	975	31	—	1,006	4 of 12	34	14	Investment

NOTE: For explanation of industry group rankings, see page 153.

[25] Office jointly held with Marion O Sandler.

Who Gets The Most Pay

			Compensation ($000)					Tenure (years)		
Rank	Company/industry group	Chief executive/age	salary and bonus	other	stock gains	total	Rank in industry	with firm	as CEO	Business background
104	IC Industries/15	William B Johnson/66	1,013	79	—	1,091	16 of 37	19	19	Legal
756	Idaho Power/16	James E Bruce/65	170	15	—	185	63 of 71	33	8	Legal
717	Illinois Power/16	Wendell J Kelley/59	248	1	—	249	46 of 71	35	18	Technical
129	Illinois Tool Works/23	John D Nichols/54	459	446	111	1,016	2 of 11	5	3	Operations
503	Imperial Corp of Am/41	Matthew J Shevlin/59	325	116	—	441	8 of 33	3	3	Finance
467	Indiana National/ 6	Thomas M Miller/55	371	5	104	481	58 of 150	30	4	Banking
219	Ingersoll-Rand/23	Thomas A Holmes/61	702	110	—	813	5 of 11	35	4	Operations
512	Inland Steel/26	Frank W Luerssen/57	423	9	—	432	14 of 16	33	2	Technical
508	Intel/18	Gordon E Moore/56	436	—	—	436	13 of 14	16	10	Founder
496	Interco/15	Harvey Saligman/46	450	—	—	450	34 of 37	9	2	Technical
612	InterFirst/ 6	Robert H Stewart III/59	348	—	—	348	99 of 150	34	1	Banking
763	Intergraph/13	James W Meadlock/51	177	—	—	177	17 of 17	16	16	Founder
13	IBM/13	[26]John R Opel/60	1,034	—	2,807	3,841	3 of 17	36	4	Sales
454	Intl Flavors & Frag/11	Henry G Walter Jr/74	426	—	71	497	15 of 17	22	22	Legal
374	Intl Harvester/ 4	Donald D Lennox/66	475	38	70	584	7 of 9	5	2	Operations
310	Intl Minerals & Chem/11	George D Kennedy/59	658	9	—	667	9 of 17	14	1	Administration
652	International Paper/31	John A Georges/54	314	—	—	314	16 of 17	6	1	Technical
180	InterNorth/27	Sam F Segnar/57	846	27	—	873	3 of 24	25	5	Technical
776	Iowa-Illinois G&E/16	Barry C O'Brien/58	138	4	—	142	71 of 71	25	1	Finance
729	Ipalco Enterprises/16	Zane G Todd/61	226	—	—	226	52 of 71	34	9	Operations
277	Irving Bank/ 6	Joseph A Rice/60	723	—	—	723	23 of 150	18	1	Finance
102	ITT/15	Rand V Araskog/53	721	121	256	1,097	15 of 37	18	5	Administration
236	IU International/15	John Gilray Christy/52	651	128	—	779	25 of 37	13	4	Operations
484	James River Corp Va/31	Brenton S Halsey/58	457	5	—	462	11 of 17	16	16	Founder
321	Jefferson-Pilot/24	W Roger Soles/64	650	—	7	657	10 of 28	38	17	Investment
285	Jim Walter/10	Joe B Cordell/57	597	45	61	703	4 of 10	26	1	Finance
181	Johnson & Johnson/21	James E Burke/60	871	—	—	871	16 of 31	32	8	Marketing
215	Johnson Controls/17	Fred L Brengel/62	820	—	—	820	3 of 5	37	18	Sales
211	K mart/34	Bernard M Fauber/62	825	1	—	826	10 of 16	43	5	Retailing
540	Kaiser Alum & Chem/26	Cornell C Maier/60	408	—	—	408	15 of 16	35	12	Operations
709	Kansas City P&L/16	Arthur J Doyle/62	252	4	—	256	44 of 71	12	5	Legal
758	Kansas Gas & Elec/16	Wilson K Cadman/57	181	—	—	181	64 of 71	34	4	Administration
751	Kansas Power & Light/16	William E Wall/57	188	—	—	188	62 of 71	10	9	Legal
151	Kellogg/20	William E LaMothe/58	740	30	190	960	11 of 28	34	6	Marketing
765	Kemper/24	Joseph E Luecke/58	168	—	—	168	28 of 28	33	6	Insurance
759	Kentucky Utilities/16	William B Bechanan/59	180	1	—	181	65 of 71	36	6	Technical
514	Kerr-McGee/32	Frank A McPherson/52	422	9	—	431	27 of 34	25	2	Technical
437	Key Banks/ 6	Victor J Riley Jr/53	513	—	—	513	51 of 150	21	11	Finance
253	Kidde/15	Fred R Sullivan/70	752	—	—	752	26 of 37	21	21	Finance
52	Kimberly-Clark/14	Darwin E Smith/59	862	15	683	1,560	1 of 17	27	13	Legal
105	Knight-Ridder News/33	Alvah H Chapman Jr/64	692	4	395	1,091	4 of 14	24	9	Operations
675	Koppers/15	Charles R Pullin/61	285	3	—	288	36 of 37	39	3	Administration
147	Kroger/37	Lyle Everingham/59	563	57	347	967	3 of 17	38	7	Retailing
705	Landmark Banking Fla/ 6	J Joseph Tuohy/59	257	5	—	263	132 of 150	6	6	Banking
274	Lear Siegler/15	Robert T Campion/64	729	—	—	729	29 of 37	27	14	Finance

NOTE: For explanation of industry group rankings, see page 153. [26]Succeeded by John F Akers, 2/1/85.

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure (years) with firm	as CEO	Business background
552	Leaseway Transport/38	Gerald C McDonough/57	397	2	—	399	15 of 16	5	2	Finance
[illegible]	Levi Strauss/ 3	Robert D Haas/43	360	42	—	401	3 of 4	12	1	Marketing
[illegible]	Libbey-Owens-Ford/ 5	Don T McKone/63	685	1	305	990	3 of 12	36	6	Administration
7	Eli Lilly/21	Richard D Wood/58	781	164	382	1,327	9 of 31	35	12	Marketing
[illegible]	Limited/35	Leslie H Wexner/47	596	—	—	596	9 of 18	21	21	Founder
[illegible]	Lincoln National/24	Ian M Rolland/52	423	—	—	423	18 of 28	29	8	Insurance
[illegible]	Litton Industries/15	Fred W O'Green/64	1,021	24	833	1,878	4 of 37	22	3	Technical
228	Lockheed/ 1	Roy A Anderson/64	787	17	—	804	8 of 12	28	7	Finance
306	Loews/24	Laurence A Tisch/62	654	19	—	674	9 of 28	25	24	Finance
733	Long Island Lighting/16	William J Catacosinos/55	213	1	—	214	53 of 71	6	1	Technical
677	Longs Drug Stores/35	Robert M Long/47	288	—	—	288	16 of 18	24	8	Retailing
428	Louisiana Land/32	Ernest L Williamson/60	524	1	—	525	24 of 34	31	1	Administration
386	Louisiana-Pacific/10	Harry A Merlo/60	450	120	—	570	8 of 10	35	11	Marketing
769	Louisville Gas & Elec/16	Robert L Royer/57	162	1	—	163	69 of 71	36	6	Technical
525	Lowe's Companies/35	Leonard G Herring/58	367	55	—	421	13 of 18	29	6	Finance
223	LTV/26	Raymond A Hay/56	743	39	25	807	5 of 16	10	2	Administration
408	Lubrizol/11	Lester E Coleman/54	523	20	—	543	13 of 17	30	7	Technical
455	Lucky Stores/37	S Donley Ritchey/51	475	—	20	496	10 of 17	33	5	Operations
583	M/A-Com/39	Richard T DiBona/52	348	22	—	370	16 of 18	27	2	Technical
369	Mack Trucks/ 4	John B Curcio/51	360	231	—	591	6 of 9	18	1	Marketing
65	RH Macy/34	Edward S Finkelstein/60	761	623	—	1,384	3 of 16	36	4	Retailing
210	Manufacturers Hanover/ 6	John F McGillicuddy/54	777	52	—	828	14 of 150	26	6	Legal
647	Manufacturers National/ 6	Dean E Richardson/57	315	5	—	320	110 of 150	31	12	Banking
355	Manville/10	John A McKinney/61	601	10	—	611	6 of 10	33	8	Legal
581	Mapco/32	James E Barnes/51	353	18	—	371	28 of 34	2	1	Operations
658	Marine/ 6	George R Slater/61	305	—	—	305	113 of 150	9	7	Banking
424	Marine Midland Banks/ 6	John R Petty/55	512	17	—	528	48 of 150	8	2	Finance
499	Marion Laboratories/21	Fred W Lyons Jr/50	448	—	—	448	30 of 31	17	1	Administration
278	Marriott/25	J Willard Marriott Jr/53	723	—	—	723	5 of 12	29	12	Administration
231	Marsh & McLennan Cos/24	John M Regan Jr/64	500	296	—	796	6 of 28	39	12	Insurance

And the last shall be first

Tom Murphy of Capital Cities made $612,000 last year; Leonard Goldenson of ABC made $973,000; Thornton Bradshaw of RCA (NBC), $1.17 million; and Thomas Wyman of CBS, $1.18 million.

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure (years) with firm	as CEO	Business background
663	Marshall & Ilsley/ 6	John A Puelicher/64	300	2	—	302	11[illegible] of 150	39	27	Banking
208	Martin Marietta/15	Thomas G Pownall/63	828	1	—	829	[illegible]3 of 37	22	3	Marketing
662	Maryland National/ 6	Alan P Hoblitzell Jr/54	302	1	—	303	114 of 150	28	2	Banking
243	Masco/10	Richard A Manoogian/48	767	—	—	767	3 of 10	27	17	Administration
126	May Dept Stores/34	David C Farrell/52	875	—	160	1,035	5 of 16	29	6	Retailing
544	Maytag/14	Daniel J Krumm/58	404	—	—	404	17 of 17	32	11	Marketing
419	MCA/25	Lew R Wasserman/72	500	30	—	530	9 of 12	48	38	Sales
422	McDonald's/36	Fred L Turner/52	500	30	—	530	7 of 16	29	11	Retailing
300	McDonnell Douglas/ 1	Sanford N McDonnell/62	658	21	—	679	9 of 12	36	13	Technical
82	McGraw-Edison/17	Edward J Williams/62	730	522	—	1,252	2 of 5	13	12	Finance

NOTE: For explanation of industry group rankings, see page 153.

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000)				Rank in industry	Tenure (years)		Business background
			salary and bonus	other	stock gains	total		with firm	as CEO	
287	McGraw-Hill/33	Joseph L Dionne/52	565	110	26	702	10 of 14	19	2	Operations
292	MCI Communications/39	William G McGowan/57	520	—	177	697	9 of 18	16	16	Founder
312	McKesson/21	Neil E Harlan/64	600	11	56	666	21 of 31	11	1	Administration
714	McLean Industries/38	Malcolm P McLean/71	250	—	—	250	16 of 16	9	9	Founder
244	MCorp/ 6	Gene H Bishop/55	539	228	—	767	18 of 150	10	10	Banking
201	Mead/31	Burnell R Roberts/58	650	7	180	837	5 of 17	19	3	Finance
332	Mellon Bank/ 6	J David Barnes/56	575	65	—	640	29 of 150	29	4	Banking
250	Melville/35	Francis C Rooney Jr/63	677	—	79	756	7 of 18	32	21	Retailing
490	Mercantile Bancorp/ 6	Donald E Lasater/59	440	17	—	457	65 of 150	26	14	Legal
558	Mercantile Bkshs/ 6	H Furlong Baldwin/53	385	12	—	397	84 of 150	28	9	Banking
291	Mercantile Stores/34	Leon F Winbigler/59	654	45	—	698	12 of 16	36	10	Retailing
631	Merchants National/ 6	Otto N Frenzel III/54	330	4	—	334	105 of 150	30	12	Banking
160	Merck/21	John J Horan/64	930	1	—	932	14 of 31	33	9	Legal
500	Meridian Bancorp/ 6	Samuel A McCullough/46	430	16	—	445	68 of 150	9	7	Banking
344	Merrill Lynch/19	William A Schreyer/57	625	—	—	625	8 of 12	37	1	Investment
1	Mesa Petroleum/32	T Boone Pickens Jr/57	4,223	18,733	—	22,956	1 of 34	28	28	Founder
752	Michigan National/ 6	[27]Stanford C Stoddard/54	187	—	—	187	143 of 150	30	13	Banking
335	MidCon/27	Orval C Davis/65	607	30	—	637	8 of 25	38	7	Technical
492	Middle South Utils/16	Floyd W Lewis/59	441	12	—	454	7 of 71	35	13	Legal
192	Midlantic Banks/ 6	Robert Van Buren/60	605	135	113	853	12 of 150	14	8	Banking
761	Midwest Financial/ 6	David E Connor/60	175	5	—	180	146 of 150	33	16	Banking
226	Minn Mining & Mfg/15	Lewis W Lehr/64	806	—	—	806	24 of 37	38	6	Technical
435	Mitchell Energy & Dev/27	George P Mitchell/66	490	28	—	518	14 of 25	39	26	Founder
28	Mobil/32	Rawleigh Warner Jr/64	1,575	288	216	2,080	3 of 34	31	15	Finance
767	Monfort of Colorado/20	Kenneth W Monfort/56	165	—	—	165	27 of 28	35	5	Founder
197	Monsanto/11	Richard J Mahoney/51	708	20	117	845	5 of 17	22	1	Marketing
680	Moore Financial/ 6	Fred C Humphreys/61	281	4	—	285	123 of 150	34	1	Banking
128	JP Morgan/ 6	Lewis T Preston/58	938	81	—	1,018	6 of 150	33	5	Banking
472	Morrison-Knudsen/ 9	William H McMurren/57	476	—	—	476	3 of 4	30	13	Administration
212	Morton Thiokol/11	Charles S Locke/56	815	10	—	825	6 of 17	9	5	Finance
383	Motorola/18	Robert W Galvin/62	550	24	—	574	7 of 14	45	25	Administration
593	Murphy Oil/32	Robert J Sweeney/57	347	16	—	363	29 of 34	33	1	Operations
167	Nabisco Brands/20	F Ross Johnson/53	906	—	—	906	12 of 28	14	1	Marketing
521	Nalco Chemical/11	Worley H Clark Jr/53	402	23	—	425	16 of 17	25	2	Sales
678	National Bcshs Texas/ 6	Richard W Calvert/53	279	6	—	286	122 of 150	21	8	Banking
191	National Can/30	Frank W Considine/63	704	8	143	855	3 of 5	23	12	Sales
372	National City/ 6	Julien L McCall/64	540	47	—	587	34 of 150	13	4	Banking
72	National Distillers/15	Drummond C Bell/69	698	—	626	1,325	10 of 37	28	14	Finance
286	National Gypsum/10	John P Hayes/64	672	—	30	703	5 of 10	38	2	Legal
224	National Intergroup/26	Howard M Love/55	650	—	157	807	6 of 16	29	5	Operations
5	National Medical/21	Richard K Eamer/57	898	—	5,473	6,372	2 of 31	16	16	Founder
453	Natl Semiconductor/18	Charles E Sporck/57	498	—	—	498	12 of 14	18	18	Production
513	National Service/36	Erwin Zaban/63	432	—	—	432	11 of 16	48	12	Administration
279	NBD Bancorp/ 6	Charles T Fisher III/55	659	60	—	719	24 of 150	26	2	Banking
414	NCNB/ 6	Hugh L McColl Jr/50	523	14	—	536	45 of 150	25	1	Banking

NOTE: For explanation of industry group rankings, see page 153. [27]Succeeded by Robert J Mylod, 1/16/85.

Who Gets The Most Pay

			Compensation ($000)					Tenure (years)		
Rank	Company/industry group	Chief executive/age	salary and bonus	other	stock gains	total	Rank in industry	with firm	as CEO	Business background
207	NCR/13	Charles E Exley Jr/55	831	—	—	831	7 of 17	8	2	Finance
790	New England Electric/16	Samuel Huntington/46	147	42	—	189	61 of 71	8	1	Administration
737	NY State Elec & Gas/16	Wells P Allen Jr/64	203	6	—	209	55 of 71	36	2	Technical
194	New York Times/33	Arthur Ochs Sulzberger/59	625	227	—	852	6 of 14	31	22	Journalism
487	Newmont Mining/26	Plato Malozemoff/75	461	—	—	461	13 of 16	39	31	Administration
693	Niagara Mohawk Power/16	John G Haehl Jr/62	274	2	—	275	37 of 71	23	12	Finance
561	Nicor/27	Clarence J Gauthier/63	277	117	—	395	18 of 25	39	14	Technical
392	NL Industries/29	Theodore C Rogers/51	369	193	—	562	3 of 6	5	3	Operations
268	Norfolk Southern/38	Robert B Claytor/63	722	15	—	737	11 of 16	33	3	Legal
396	Norstar Bancorp/ 6	Peter D Kiernan/61	458	100	—	558	40 of 150	11	11	Insurance
419	North Amer Philips/18	Cees Bruynes/52	530	—	—	530	10 of 14	10	3	Marketing
778	Northeast Savings/41	Kent Dixon/47	151	—	—	151	29 of 33	24	2	Banking
673	Northeast Utilities/16	William B Ellis/44	289	—	—	289	31 of 71	9	2	Technical
688	No Indiana Pub Svc/27	Edmund A Schroer/57	260	21	—	281	24 of 25	8	8	Legal
567	No States Power/16	Donald W McCarthy/63	383	1	—	384	12 of 71	37	8	Operations
496	Northern Trust/ 6	Weston R Christopherson/60	450*	—	—	450	66 of 150	1	1	Legal
81	Northrop/ 1	Thomas V Jones/64	1,200	55	—	1,255	2 of 12	31	25	Administration
311	Northwest Industries/15	Ben W Heineman/71	625	42	—	667[28]	31 of 37	29	29	Founder
446	Northwestern Finl/ 6	Ben T Craig/52	377	—	126	503	54 of 150	7	7	Banking
626	No'western Natl Life/24	John E Pearson/58	298	40	—	339	25 of 28	32	8	Sales
255	Norton/23	Donald R Melville/58	538	16	194	748	7 of 11	18	5	Marketing
566	Norwest/ 6	[29]John W Morrison/63	356	11	18	385	88 of 150	8	3	Administration
6	NVF/26	Victor Posner/67	4,411	77	—	4,488[30]	1 of 16	19	18	Administration
384	NWA/ 2	[31]M Joseph Lapensky/66	500	—	73	573	4 of 13	40	6	Finance
295	Nynex/39	Delbert C Staley/60	647	49	—	696	10 of 18	39	1	Operations
173	Occidental Petroleum/32	Armand Hammer/87	893	—	—	893	19 of 34	27	27	Finance
94	Ogden/15	Ralph E Ablon/69	1,175	—	—	1,175	13 of 37	30	23	Administration
666	Ohio Edison/16	Justin T Rogers Jr/55	295	—	—	295	29 of 71	26	5	Legal
697	Oklahoma Gas & Elec/16	James G Harlow Jr/51	259	12	—	272	40 of 71	24	9	Finance
644	Old Kent Financial/ 6	John C Canepa/54	322	—	—	322	108 of 150	15	3	Banking
560	Old Stone/ 6	Theodore W Barnes/54	373	23	—	396	85 of 150	37	9	Banking
256	Olin/15	John M Henske/62	735	13	—	748	27 of 37	15	7	Operations
380	Owens-Corning/10	William W Boeschenstein/59	561	18	—	579	7 of 10	34	12	Marketing
144	Owens-Illinois/30	Robert J Lanigan/57	831	10	130	971	2 of 5	34	1	Administration
297	Paccar/ 4	Charles M Pigott/56	683	—	—	683	5 of 9	29	17	Administration
334	Pacific Gas & Elec/16	Frederick W Mielke Jr/64	619	19	—	638	1 of 71	34	6	Legal
301	Pacific Lighting/27	Paul A Miller/60	660	18	—	678	6 of 25	36	16	Finance
608	Pacific Resources/31	[32]Joseph A Pelletier/62	342	8	—	350	30 of 34	12	1	Operations
222	Pacific Telesis/39	Donald E Guinn/52	810	—	—	810	5 of 18	31	1	Operations
459	PacifiCorp/16	Don C Frisbee/61	490	—	—	490	4 of 71	31	13	Finance
229	Paine Webber Group/19	Donald B Marron/50	800	1	—	801	7 of 12	26	5	Investment
493	Pan Am/ 2	C Edward Acker/56	450	2	—	452	7 of 13	3	3	Administration
622	Panhandle Eastern/27	Robert D Hunsucker/60	340	—	—	340	22 of 25	33	2	Finance
463	Parker-Hannifin/23	Paul G Schloemer/56	450	4	31	485	9 of 11	27	1	Operations
267	Penn Central/15	Alfred W Martinelli/57	712	26	—	738	28 of 37	25	3	Finance

NOTE: For explanation of industry group rankings, see page 153. *Annualized current salary. [28]Figures are for year ended 12/31/83. [29]Succeeded by Lloyd P Johnson, 2/27/85. [30]Figures are for year ended 12/31/83. [31]Succeeded by Steven G Rothmeir, 1/1/85. [32]Succeeded by Robert G Reed III, 4/26/85.

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure (years) with firm	as CEO	Business background
329	JC Penney/34	William R Howell/49	501	143	—	644	13 of 16	27	1	Retailing
723	Pennsylvania P&L/16	Robert K Campbell/55	234	—	—	235	49 of 71	8	6	Technical
336	Pennzoil/32	J Hugh Liedtke/63	636	—	—	636	22 of 34	29	22	Legal
721	Peoples Bancorp/ 6	Joshua Green III/49	237	—	—	237	135 of 150	24	8	Banking
164	Peoples Energy/27	Eugene A Tracy/57	212	699	—	911	1 of 25	33	3	Finance
118	PepsiCo/ 7	Donald M Kendall/64	1,050	—	—	1,050	3 of 5	38	22	Marketing
660	Perkin-Elmer/18	Horace G McDonell Jr/56	305	—	—	305	14 of 14	33	1	Technical
771	Petrie Stores/35	Milton J Petrie/79	150	—	—	150	18 of 18	58	58	Founder
141	Pfizer/21	Edmund T Pratt Jr/58	976	—	—	976	12 of 31	20	12	Finance
21	Phibro-Salomon/19	John H Gutfreund/56	2,304	35	—	2,339	1 of 12	32	1	Investment

Vital statistics

Armand Hammer, 87, of Occidental Petroleum is the oldest CEO. The youngest: Myron Filarski, 37, of Transohio Financial.

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure (years) with firm	as CEO	Business background
656	Philadelphia Elec/16	James L Everett/58	311	—	—	311	26 of 71	35	7	Technical
76	Philip Morris/42	Hamish Maxwell/58	907	1	364	1,272	1 of 3	31	1	Marketing
138	Phillips Petroleum/32	William C Douce/65	881	99	—	980	15 of 34	43	5	Operations
479	Piedmont Aviation/ 2	William R Howard/63	454	—	14	468	6 of 13	7	2	Legal
84	Pillsbury/20	[33]William H Spoor/62	892	336	—	1,228	5 of 28	35	12	Operations
506	Pioneer/27	C David Culver/49	337	103	—	440	17 of 25	24	2	Operations
757	Pioneer Hi-Bred Intl/20	Thomas N Urban/51	183	—	—	183	26 of 28	24	4	Administration
354	Pitney Bowes/28	George B Harvey/54	611	—	—	611	2 of 2	28	2	Finance
538	Pittston/12	Paul W Douglas/58	400	10	—	410	1 of 1	1	1	Sales
271	PNC Financial/ 6	[34]Merle E Gilliand/63	686	45	—	731	21 of 150	32	15	Finance
575	Polaroid/25	William J McCune Jr/70	375	—	—	375	12 of 12	45	5	Technical
718	Portland Genl Elec/16	Robert H Short/60	247	—	—	247	47 of 71	30	4	Finance
580	Potomac Electric/16	W Reid Thompson/60	329	43	—	373	14 of 71	14	14	Legal
389	PPG Industries/ 5	Vincent A Sarni/56	450	116	—	565	8 of 12	16	1	Marketing
736	Price Co/35	Robert E Price/42	210	—	—	210	17 of 18	9	9	Founder
589	Primark/27	Robert W Stewart/60	355	11	—	366	21 of 25	14	4	Marketing
537	Prime Computer/13	Joe M Henson/51	404	7	—	411	14 of 17	3	3	Marketing
108	Procter & Gamble/14	John G Smale/57	858	128	96	1,082	2 of 17	32	4	Administration
651	Provident Life & Acc/24	H Carey Hanlin/60	315	—	—	315	26 of 28	36	6	Insurance
590	PSFS/41	M Todd Cooke/65	366	—	—	366	14 of 33	19	6	Finance
726	Public Service Colorado/16	Richard F Walker/61	230	1	—	231	50 of 71	35	6	Technical
748	Public Service Indiana/16	Hugh A Barker/59	189	5	--	194	59 of 71	26	8	Finance
768	Public Service NH/16	Robert J Harrison/54	165	—	—	165	68 of 71	28	2	Finance
542	Public Service NM/16	Jerry D Geist/51	407	—	—	407	10 of 71	25	9	Technical
614	Public Service E&G/16	Harold W Sonn/64	340	7	—	347	20 of 71	38	1	Administration
749	Puget Sound P&L/16	John W Ellis/56	187	6	—	193	60 of 71	15	9	Legal
87	Quaker Oats/20	William D Smithburg/46	607	—	598	1,205	6 of 28	19	3	Marketing
727	Questar/27	R D Cash/43	219	8	—	227	25 of 25	8	3	Technical
429	Rainier Bancorp/ 6	G Robert Truex Jr/61	524	—	—	524	49 of 150	11	11	Banking
15	Ralston Purina/20	William P Stiritz/50	600	8	2,449	3,057	1 of 28	21	3	Marketing

NOTE: For explanation of industry group rankings, see page 153. [33]Succeeded by John M Stafford, 5/8/85. [34]Succeeded by Thomas H O'Brien, 4/1/85.

Who Gets The Most Pay

			Compensation ($000)					Tenure (years)		
Rank	Company/industry group	Chief executive/age	salary and bonus	other	stock gains	total	Rank in industry	with firm	as CEO	Business background
188	Raytheon/15	Thomas L Phillips/61	852	6	—	858	21 of 37	37	16	Technical
95	RCA/15	[35]Thornton F Bradshaw/67	1,151	20	—	1,171	14 of 37	4	3	Administration
745	Republic Airlines/ 2	[36]Daniel F May/55	203	—	—	203	13 of 13	28	3	Finance
423	Republic New York/ 6	Walter H Weiner/54	529	—	—	529	47 of 150	5	5	Legal
327	RepublicBank/ 6	[37]James D Berry/64	599	48	—	647	28 of 150	35	8	Banking
227	Revco DS/35	Sidney Dworkin/64	604	62	139	805	6 of 18	29	18	Founder
68	Revlon/21	Michel C Bergerac/53	1,300	40	—	1,340	8 of 31	10	10	Administration
109	RJ Reynolds Inds/42	J Tylee Wilson/54	1,034	32	15	1,081	2 of 3	11	1	Administration
266	Reynolds Metals/26	David P Reynolds/70	573	166	—	739	8 of 16	48	9	Marketing
140	Richardson-Vicks/14	John S Scott/59	662	19	297	979	4 of 17	34	9	Marketing
449	Riggs National/ 6	Joe L Allbritton/60	500	—	—	500	56 of 150	4	3	Finance
649	RIHT Financial/ 6	Henry S Woodbridge Jr/56	310	6	—	317	112 of 150	30	10	Finance
155	Rite Aid/35	Alex Grass/57	499	—	450	949	4 of 18	32	22	Founder
317	Roadway Services/38	Charles F Zodrow/62	634	26	—	660	12 of 16	26	3	Finance
739	Rochester Gas & Elec/16	Paul W Briggs/62	203	4	—	207	56 of 71	39	4	Finance
98	Rockwell Intl/ 1	Robert Anderson/64	1,155	—	—	1,155	4 of 12	17	11	Technical
35	Rohm & Haas/11	Vincent L Gregory Jr/62	772	12	1,101	1,885	1 of 17	35	14	Finance
294	Rubbermaid/14	Stanley C Gault/59	696	—	—	696	11 of 17	5	5	Marketing
202	Ryder System/38	M Anthony Burns/42	836	—	—	836	8 of 16	11	2	Finance
531	Safeco/24	Roland M Trafton/65	355	9	53	417	20 of 28	32	6	Finance
442	Safeway Stores/37	Peter A Magowan/43	483	23	—	506	9 of 17	17	5	Administration
565	St Paul Cos/24	Robert J Haugh/59	333	—	55	387	21 of 28	36	1	Insurance
596	San Diego Gas & Elec/16	Thomas A Page/52	349	13	—	361	17 of 71	7	3	Technical
373	Sanders Associates/ 1	Jack L Bowers/64	585	—	—	585	11 of 12	8	6	Administration
183	Santa Fe Southern/38	John J Schmidt/57	863	5	—	868	7 of 16	29	2	Legal
99	Sara Lee/20	John H Bryan Jr/48	916	—	230	1,145	7 of 28	25	10	Administration
707	Scana/16	Virgil C Summer/64	244	15	—	259	43 of 71	47	5	Operations
319	Schering-Plough/21	Robert P Luciano/51	640	19	—	659	22 of 31	6	3	Legal
511	SCM/15	Paul H Elicker/62	417	16	—	433	35 of 37	28	13	Finance
399	SCOA Industries/34	Herbert H Schiff/68	556	—	—	556	15 of 16	46	20	Retailing
299	Scott Paper/14	Philip E Lippincott/49	680	—	—	680	12 of 17	26	3	Operations
238	Sea-Land/38	Joseph F Abely Jr/56	688	43	44	776	9 of 16	1	1	Finance
115	GD Searle/21	Donald H Rumsfeld/52	913	149	—	1,062	11 of 31	8	8	Administration
25	Sears, Roebuck/34	Edward R Telling/66	1,481	42	607	2,131	1 of 16	39	7	Retailing
59	Security Pacific/ 6	Richard J Flamson III/56	896	—	613	1,508	4 of 150	30	6	Banking
395	Service Merchandise/35	Raymond Zimmerman/52	531	29	—	560	10 of 18	24	12	Founder
690	Shared Medical Sys/21	R James Macaleer/51	278	—	—	278	31 of 31	16	16	Founder
480	Shawmut/ 6	John P LaWare/57	466	—	—	466	63 of 150	6	4	Banking
112	Shell Oil/32	John F Bookout/62	1,038	32	—	1,069	10 of 34	34	9	Technical
16	Sherwin-Williams/35	John G Breen/50	772	28	1,849	2,649	3 of 18	6	6	Operations
753	Shoney's/36	R L Danner/60	187	—	—	187	16 of 16	27	9	Operations
27	Signal Cos/15	Forrest N Shumway/58	927	38	1,137	2,101	2 of 37	28	17	Legal
367	Singer/ 1	Joseph B Flavin/56	595	—	—	595	10 of 12	9	9	Finance
185	SmithKline Beckman/21	Henry Wendt/51	737	22	104	863	17 of 31	30	3	Marketing
527	Snap-On Tools/ 5	William B Rayburn/60	416	—	5	421	12 of 12	31	1	Marketing

NOTE: For explanation of industry group rankings, see page 153. [35]Succeeded by Robert R Frederick, 3/6/85. [36]Succeeded by Stephen M Wolf, 4/25/85. [37]Succeeded by Gerald W Fronterhouse, 4/17/85.

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure (years) with firm	as CEO	Business background
364	Society/ 6	Gordon E Heffern/61	415	—	182	597	32 of 150	11	2	Administration
346	Sonat/27	Ronald L Kuehn Jr/50	546	76	—	622	9 of 25	5	1	Legal
698	South Carolina Natl/ 6	James G Lindley/54	258	12	—	270	128 of 150	6	4	Banking
668	Southeast Banking/ 6	Charles J Zwick/58	290	3	—	293	118 of 150	16	5	Finance
491	Southern Calif Edison/16	Howard P Allen/60	444	12	—	456	6 of 71	31	1	Legal
461	Southern Company/16	Edward L Addison/55	486	—	—	486	5 of 71	31	1	Technical
696	So New England Tel/39	Walter H Monteith Jr/54	259	13	—	272	17 of 18	30	1	Sales
270	Southland/37	John P Thompson/59	607	127	—	735	5 of 17	36	24	Finance
432	Southmark/19	Gene E Phillips/47	520	—	—	520	9 of 12	5	5	Investment
516	SouthTrust/ 6	Wallace D Malone Jr/48	371	60	—	430	70 of 150	26	4	Banking
31	Southwest Airlines/ 2	Herbert D Kelleher/54	351	—	1,618	1,969	1 of 13	18	3	Legal
182	Southwestern Bell/39	Zane E Barnes/63	850	19	—	869	4 of 18	43	10	Operations
682	Southwestern Pub Svc/16	Berl M Springer/64	273	12	—	285	32 of 71	38	4	Technical
275	Sovran Financial/ 6	Clifford A Cutchins III/61	439	73	214	726	22 of 150	37	5	Banking
368	Sperry/13	Gerald G Probst/61	585	—	9	595	11 of 17	24	3	Technical
469	Square D/17	Donald L Knauss/57	480	—	—	480	5 of 5	16	1	Technical
149	Squibb/21	Richard M Furlaud/62	875	87	—	962	13 of 31	29	19	Legal
375	Staley Continental/20	Donald E Nordlund/63	583	—	—	583	17 of 28	29	12	Administration
96	Standard Oil Ohio/32	Alton W Whitehouse Jr/57	868	34	257	1,159	7 of 34	16	7	Legal
196	Stanley Works/23	Donald W Davis/64	694	1	153	847	4 of 11	37	19	Administration
489	State Street Boston/ 6	William S Edgerly/58	460	—	—	460	64 of 150	9	9	Finance
579	Stauffer Chemical/11	H Barclay Morley/56	373	—	—	373	17 of 17	22	11	Technical
350	Sterling Drug/21	[38]Dr W Clarke Wescoe/65	616	—	—	616	24 of 31	15	11	Technical
411	Stop & Shop Cos/37	Avram J Goldberg/55	534	6	—	540	8 of 17	27	6	Retailing
606	Storer Communications/ 8	Peter Storer/57	350	—	—	350	4 of 5	18	6	Marketing
510	Student Loan/19	Edward A Fox/48	399	35	—	435	10 of 12	12	12	Finance
407	Subaru of America/ 4	Harvey H Lamm/49	513	30	—	543	8 of 9	17	10	Sales
557	Suburban Bancorp/ 6	Robert F Tardio/56	397	—	—	397	83 of 150	11	11	Finance
773	Sumitomo Bank Cal/ 6	Teruhisa Shimizu/52	135	12	—	147	147 of 150	30	2	Banking
545	Sun Banks/ 6	Joel R Wells Jr/56	330	21	53	404	78 of 150	10	3	Finance
120	Sun Company/32	Theodore A Burtis/63	880	14	150	1,045	13 of 34	18	6	Technical
154	Sundstrand/ 1	Evans W Erikson/58	551	407	—	958	7 of 12	33	5	Technical
722	Sunwest Financial/ 6	George S Jenks/58	235	—	—	235	136 of 150	34	3	Banking
636	Super Food Services/36	Jack Twyman/51	325	—	—	325	13 of 16	15	13	Administration
456	Super Valu Stores/36	Michael W Wright/47	463	—	33	495	9 of 16	8	4	Legal
357	Supermarkets General/37	Leonard Lieberman/56	600	8	—	609	6 of 17	21	2	Legal
601	Swift Independent/20	John A Copeland/61	347	7	—	354	22 of 28	37	4	Production
699	Sysco/36	John F Woodhouse/54	234	34	—	268	15 of 16	15	2	Finance
519	Tambrands/14	Edwin H Shutt/57	427	—	—	427	16 of 17	4	3	Marketing
671	Tandem Computers/13	James G Treybig/44	290	—	—	290	15 of 17	10	10	Founder

NOTE: For explanation of industry group rankings, see page 153. [38]Succeeded by John M Pietruski, 2/1/85.

OUR FOUNDER
OUR CEO

What entrepreneurial revolution?

On the basis of their median compensation, CEOs with backgrounds in investments, operations, marketing, sales, finance, legal and administration all made more than founders.

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure (years) with firm	as CEO	Business background
356	Tandy/25	John V Roach/46	552	58	—	610	8 of 12	18	3	Operations
694	TECO Energy/16	Hugh L Culbreath/64	259	16	—	275	38 of 71	28	13	Finance
747	Tecumseh Products/23	Kenneth G Herrick/64	195	—	—	195	11 of 11	45	14	Production
387	Tektronix/18	Earl Wantland/53	380	17	172	569	8 of 14	30	10	Operations
643	Tele-Communications/ 8	John C Malone/44	302	21	—	323	5 of 5	12	12	Administration
190	Teledyne/15	Henry E Singleton/68	850	6	—	856	22 of 37	24	24	Founder
664	Telerate/19	Neil S Hirsch/38	300	—	—	300	12 of 12	16	16	Founder
203	Temple-Inland/30	Clifford J Grum/50	617	219	—	836	4 of 5	16	1	Finance
157	Tenneco/32	James L Ketelsen/54	754	194	—	948	17 of 34	26	6	Finance
412	Tesoro Petroleum/32	Robert V West Jr/64	464	75	—	539	23 of 34	29	20	Founder
97	Texaco/32	John K McKinley/65	1,156	—	—	1,156	8 of 34	44	4	Technical
288	Texas Air/ 2	Francisco A Lorenzo/45	194	35	473	701	3 of 13	13	5	Finance
547	Texas American Bcshs/ 6	Lewis H Bond/63	389	14	—	403	79 of 150	33	22	Banking
41	Texas Commerce Bcshs/ 6	Ben F Love/60	774	966	—	1,740	3 of 150	18	12	Finance
349	Texas Eastern/27	I David Bufkin/63	570	46	—	616	10 of 25	36	5	Technical
393	Texas Instruments/18	J Fred Bucy/56	562	—	—	562	9 of 14	32	1	Operations
38	Texas Oil & Gas/32	Forrest E Hoglund/51	517	—	1,345	1,861	4 of 34	7	2	Operations
592	Texas Utilities/16	Perry G Brittain/60	350	13	—	363	16 of 71	35	2	Technical
289	Textron/15	[39]Robert P Straetz/63	667	33	—	701	30 of 37	39	5	Sales
119	Third National/ 6	[40]Charles J Kane/65	430	168	449	1,046	5 of 150	10	9	Banking
477	Thrifty Corp/35	Leonard H Straus/70	450	21	—	471	12 of 18	39	28	Legal
217	Time Inc/33	J Richard Munro/54	713	101	—	814	7 of 14	27	4	Operations
276	Times Mirror/33	Robert F Erburu/54	724	—	—	724	9 of 14	23	4	Legal
719	Toledo Edison/16	John P Williamson/63	235	11	—	246	48 of 71	34	12	Finance
665	Toledo Trustcorp/ 6	George W Haigh/53	274	—	26	300	116 of 150	8	6	Banking
353	Torchmark/24	[41]Frank P Samford Jr/64	611	—	—	611	12 of 28	37	18	Legal
636	Tosco/32	Matthew J Talbot/47	325	—	—	325	33 of 34	17	2	Finance
3	Toys "R" Us/35	Charles Lazarus/61	2,205	135	8,730	11,070	1 of 18	29	29	Founder
507	Trans World Airlines/ 2	Carl E Meyer Jr/56	350	75	12	437	8 of 13	17	6	Finance
177	Transamerica/19	James R Harvey/50	590	—	293	883	5 of 12	20	4	Finance
361	Transco Energy/27	William J Bowen/63	600	—	—	600	12 of 25	10	10	Operations
779	Transohio Finl/41	[42]Myron Filarski/37	103	19	—	122	32 of 33	13	1	Banking
174	Transworld Corp/36	L Edwin Smart/61	643	86	165	893	1 of 16	18	8	Legal
265	Travelers/24	Edward H Budd/52	680	14	45	740	8 of 28	30	4	Insurance
388	Tribune/33	Stanton R Cook/59	566	—	—	566	12 of 14	34	13	Technical
139	Trust Co of Georgia/ 6	Robert Strickland/58	339	95	546	979	7 of 150	36	8	Banking
53	TRW/15	Ruben F Mettler/61	840	25	689	1,554	6 of 37	30	7	Technical
710	Tucson Electric/16	[43]Theodore M Welp/51	249	5	—	255	45 of 71	11	9	Finance
418	Turner/ 9	Walter B Shaw/65	531	—	—	531	2 of 4	44	8	Operations
520	UAL/ 2	Richard J Ferris/48	425	—	—	425	9 of 13	22	6	Administration
111	Union Camp/31	Peter J McLaughlin/56	618	11	445	1,073	2 of 17	39	5	Finance
114	Union Carbide/15	Warren M Anderson/63	961	15	91	1,067	17 of 37	40	3	Legal
672	Union Electric/16	William E Cornelius/53	288	2	—	289	30 of 71	22	1	Finance
774	Union National/ 6	George F Kesel/52	145	—	—	145	148 of 150	8	3	Banking
116	Union Pacific/32	William S Cook/62	1,043	16	—	1,058	12 of 34	16	2	Finance

NOTE: For explanation of industry group rankings, see page 153. [39]Succeeded by Beverly F Dolan, 1/1/85. [40]Succeeded by Charles W Cook Jr, 1/17/85. [41]Succeeded by Ronald K Richey, 1/1/85. [42]Acting Chief Executive Officer. [43]Succeeded by Einar Greve, 1/4/85.

Who Gets The Most Pay

			Compensation ($000)					Tenure (years)		
Rank	Company/industry group	Chief executive/age	salary and bonus	other	stock gains	total	Rank in industry	with firm	as CEO	Business background
403	Union Trust Bancorp/ 6	J Stevenson Peck/62	291	—	261	552	43 of 150	37	13	Administration
452	Uniroyal/ 5	Joseph P Flannery/53	470	29	—	499	9 of 12	26	5	Marketing
562	United Banks of Colo/ 6	N Berne Hart/55	372	21	—	393	86 of 150	31	6	Banking
782	United Brands/20	Carl H Lindner/66	35[44]	—	—	35	28 of 28	1	1	Finance
574	United Energy/27	J Hugh Roff Jr/53	376	1	—	377	19 of 25	11	11	Legal
784	United Financial/41	Charles E Hurwitz/44	11[44]	—	—	11	33 of 33	1	1	Investment
764	United Illuminating/16	[45]John D Fassett/59	173	—	—	173	67 of 71	11	9	Legal
348	United Jersey Banks/ 6	T Joseph Semrod/48	472	—	146	618	31 of 150	4	4	Banking
627	United Missouri Bcshs/ 6	R Crosby Kemper Jr/58	338	—	—	338	102 of 150	35	15	Banking
522	US Bancorp/ 6	John A Elorriaga/61	408	15	—	424	72 of 150	34	10	Banking
570	United States Shoe/ 3	Philip G Barach/55	383	—	—	383	4 of 4	24	17	Administration
145	United States Steel/32	David M Roderick/61	971	—	—	971	16 of 34	26	6	Finance
110	US Tobacco/42	Louis F Bantle/56	1,052	22	—	1,074	3 of 3	22	12	Marketing
280	US Trust/ 6	Daniel P Davison/60	452	210	54	715	25 of 150	6	4	Banking
333	US West/39	Jack A MacAllister/57	600	39	—	639	13 of 18	35	9	Administration
24	United Technologies/15	Harry J Gray/65	1,250	373	550	2,173	1 of 37	13	12	Administration
303	United Telecom/39	[46]Paul H Henson/59	635	11	29	675	11 of 18	26	18	Technical
416	United Virginia Bkshs/ 6	Joseph A Jennings/64	382	34	117	533	46 of 150	47	8	Banking
113	Unocal/32	Fred L Hartley/68	1,044	24	—	1,068	11 of 34	46	20	Technical
377	Upjohn/21	Ray T Parfet Jr/62	550	10	23	582	26 of 31	37	23	Finance
426	USAir Group/ 2	Edwin I Colodny/59	527	—	—	527	5 of 13	27	9	Legal
409	USF&G/24	Jack Moseley/54	387	156	—	543	13 of 28	31	5	Insurance
220	USG/10	[47]Edward W Duffy/66	802	11	—	812	2 of 10	44	2	Sales
189	USLife/24	Gordon E Crosby Jr/64	565	293	—	858	5 of 28	26	19	Marketing
744	Utah Power & Light/16	[48]Harry Blundell/60	186	17	—	203	58 of 71	36	6	Finance
434	Valero Energy/27	William E Greehey/49	333	186	—	518	13 of 25	21	11	Finance
772	Valley Federal S&L/41	Robert E Gibson/56	149	—	—	149	30 of 33	29	8	Banking
594	Valley National/ 6	Howard C McCrady/53	358	5	—	363	93 of 150	10	2	Finance
62	Varian Associates/18	Thomas D Sege/59	655	219	597	1,471	2 of 14	22	3	Technical
73	VF/ 3	Lawrence R Pugh/48	610	—	708	1,318	1 of 4	5	3	Marketing
162	Vulcan Materials/10	W Houston Blount/63	600	324	—	924	1 of 10	30	6	Operations
264	Wachovia/ 6	John G Medlin Jr/51	480	46	214	740	20 of 150	26	8	Banking
634	Wal-Mart Stores/34	Sam M Walton/67	300	30	—	330	16 of 16	39	39	Founder
597	Waldbaum/37	Ira Waldbaum/56	360	—	—	360	14 of 17	38	36	Administration
214	Walgreen/35	Charles R Walgreen III/49	492	329	—	820	5 of 18	33	14	Operations
10	Wang Laboratories/13	An Wang/65	606	—	3,814	4,420	2 of 17	34	34	Founder
302	Warner Communications/25	Steven J Ross/57	350	328	—	678	6 of 12	23	23	Finance
55	Warner-Lambert/21	[49]Ward S Hagan/65	896	17	622	1,535	6 of 31	15	7	Marketing
679	Washington Mutual/41	Louis H Pepper/61	270	7	8	285	22 of 33	3	3	Legal
653	Washington National/24	Stanley P Hutchison/61	298	6	9	314	27 of 28	38	9	Legal
262	Washington Post/33	Katharine Graham/68	547	195	—	742	8 of 14	22	12	Administration
775	Washington Water/16	Paul A Redmond/48	141	4	—	145	70 of 71	20	1	Operations
320	Waste Management/36	Dean L Buntrock/54	567	91	—	658	4 of 16	28	16	Founder
650	Weis Markets/37	Sigfried Weis/69	304	12	—	316	16 of 17	46	25	Retailing
218	Wells Fargo/ 6	Carl E Reichardt Jr/53	775	—	38	813	16 of 150	14	2	Banking

NOTE: For explanation of industry group rankings, see page 153. [44]Director's fee only. [45]Succeeded by George W Edwards, 4/15/85. [46]Succeeded by William T Esrey, 4/23/85. [47]Succeeded by Robert J Day, 6/1/85. [48]Succeeded by James C Taylor, 2/1/85. [49]Succeeded by Joseph D Williams, 1/1/85.

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure (years) with firm	as CEO	Business background
394	Wendy's Intl/36	Robert L Barney/48	555	6	—	561	6 of 16	15	5	Administration
209	West Point-Pepperell/14	Joseph L Lanier Jr/53	498	331	—	829	7 of 17	28	9	Operations
615	Western S&L/41	Gary H Driggs/50	341	5	—	346	18 of 33	23	9	Banking
783	Western Union/39	Robert S Leventhal/58	19[50]	—	—	19	18 of 18	1	1	Operations
54	Westinghouse Electric/15	Douglas D Danforth/62	858	684	—	1,543	7 of 37	30	1	Production
343	Westvaco/31	David L Luke III/61	601	25	—	626	9 of 17	33	21	Finance
460	Wetterau/36	Ted C Wetterau/57	490	—	—	490	10 of 16	33	15	Marketing
296	Weyerhaeuser/31	George H Weyerhaeuser/58	672	13	—	685	7 of 17	35	19	Production
290	Whirlpool/14	Jack D Sparks/62	626	31	43	699	10 of 17	44	2	Marketing
304	White Consolidated/14	Roy H Holdt/64	567	108	—	675	13 of 17	43	8	Finance
551	Whitney Holding/ 6	Patrick A Delaney/53	363	36	—	399	81 of 150	31	8	Banking
345	Whittaker/15	Joseph F Alibrandi/56	525	98	—	623	32 of 37	15	10	Administration
7	Wickes Cos/35	Sanford C Sigoloff/54	957	4,338	—	5,295	2 of 18	3	3	Operations
554	Willamette Inds/31	William Swindells Jr/54	377	21	—	398	14 of 17	31	3	Operations
171	Williams Cos/27	Joseph H Williams/52	866	29	—	896	2 of 25	26	6	Operations
495	Wilson Foods/20	Kenneth J Griggy/51	403	48	—	450	19 of 28	9	9	Marketing
528	Winn-Dixie Stores/37	A Dano Davis/40	393	28	—	420	12 of 17	16	2	Retailing
691	Wisconsin Electric/16	Charles S McNeer/59	276	1	—	277	36 of 71	35	9	Technical
438	Witco Chemical/11	William Wishnick/60	513	—	—	513	14 of 17	43	13	Administration
200	FW Woolworth/34	John W Lynn/64	810	30	—	840	9 of 16	43	2	Operations
163	Xerox/28	David T Kearns/54	662	255	—	918	1 of 2	13	3	Sales
404	Yellow Freight System/38	George E Powell Jr/59	523	26	—	549	14 of 16	33	16	Administration
101	Zayre/34	Maurice Segall/56	1,100	—	—	1,100	4 of 16	7	7	Retailing
462	Zenith Electronics/14	Jerry K Pearlman/46	461	18	6	486	15 of 17	14	2	Finance
669	Zions Utah Bancorp/ 6	Roy W Simmons/69	212	80	—	292	119 of 150	31	19	Banking

NOTE: For explanation of industry group rankings, see below. [50] Director's fee only.

The fast track

Of the five CEOs under the age of 40, three are in finance: Myron Filarski of Transohio Financial, Thomas Spiegel of Columbia Savings and Harold W. Pote of Fidelcor. And one of the exceptions—Neil Hirsch of Telerate—is close to finance. Odd man out? Retailer Andrew Lewis of Best Products.

Industry group codes

These numbers correspond with the industry group codes that follow company names in the second column of the table. Column eight ranks each individual's compensation within that industry group.

1. Aerospace and defense
2. Air transport
3. Apparel
4. Automobiles and trucks
5. Automotive suppliers
6. Banks
7. Beverages
8. Broadcasting
9. Builders
10. Building materials
11. Chemicals
12. Coal
13. Computers
14. Consumer products
15. Diversified companies
16. Electric utilities
17. Electrical equipment
18. Electronics
19. Financial services
20. Food processors
21. Health care
22. Heavy equipment
23. Industrial machinery
24. Insurance
25. Leisure and recreation
26. Metals
27. Natural gas utilities
28. Office equipment
29. Oilfield drillers and services
30. Packaging
31. Paper
32. Petroleum
33. Publishing
34. Retailers, general
35. Retailers, specialty
36. Services
37. Supermarkets
38. Surface transportation
39. Telecommunications
40. Textiles
41. Thrift institutions
42. Tobacco

ation, evaluating some programs before it places them on sale. Says Seymour Merrin, ComputerWorks chairman, "We get piles and piles of programs in here. Of those that we evaluate, probably 50% to 60% are so full of bugs that they are not worth further consideration. You can tell in five minutes."

Even the most respected programs can be infested with bugs. Years after it entered the market, WordStar, the most popular word processing program yet written, still harbors an omission that blocks proportionally spaced printing, which distorts the output of letter-quality printers. In each version of Ashton-Tate's dBASE II, which reportedly accounts for over 70% of the database management packages that are sold, as many of the program's defects are eliminated as possible.

What's going on here? In a competitive market, companies are supposed to put their best foot forward. Only partly true, says Edward M. Esber Jr., president of Ashton-Tate: "In the early days of the business the purchasers were technically oriented people. They were more willing to accept a fault in a product. Today it's more of a consumer market. We deliver many more packages, and users are less tolerant of bugs."

User hostility aside, too many products still go out with hidden flaws. Is that just in the nature of software? Not at all. Lotus Development Corp.'s bestselling 1-2-3 is one of the most complicated programs available, yet it is almost entirely bug-free. And Framework, a competitor of 1-2-3's published by Ashton-Tate, has fewer flaws than other products made by the company.

Developing bug-free software, it turns out, is exactly like developing any other defect-free product: It demands attention to quality. Burt Weiner, quality assurance manager at Lotus, says, "Every project here has at least one quality assurance person. Large efforts may have nearly a dozen. We are involved in each project from a very early stage. Often we do code walk-throughs, to see how a program has changed from earlier versions. And when the development process is over, we spend at least another third of the time in testing and fixing any errors we find."

Yet no company, no matter how committed to quality, can promise to deliver completely bug-free software, according to Janelle Bedke, vice president and general manager of Software Publishing Corp. The firm's well-debugged PFS-series programs are one of the software market's fastest-selling product lines. "It's easy to overtest," Bedke says. "If you're not careful, you could go on fixing things every day. Either you would never get the product out the door, or you would throw your manufacturing into a state of havoc."

That need to get products out the manufacturer's door, says ComputerWorks' Merrin, will probably always prevent software from being absolutely defect-free. "The price of software," Merrin says, "has come down in price so severely that there isn't enough money in it to be able to create an absolutely bug-free piece of software, especially for small companies that have difficulty attracting venture capital." Just when you thought it was safe to go back to the home computer.

Technology

Health

Older people face complications, even dangers, from the drugs they take. They also face the cost of solutions to the problem.

Bitter pills

By Francesca Lunzer

DURING THE 12 WEEKS that it was available in mid-1982, doctors wrote more than 500,000 prescriptions for Oraflex, a powerful antiarthritic drug developed by Eli Lilly & Co. For all its considerable promise, Oraflex was nevertheless voluntarily withdrawn from the market by Lilly in August 1982, following reports linking nearly 75 deaths in Great Britain and the U.S. to adverse side effects.

Virtually all those who died were over the age of 65, according to Judith Brown, health analyst for the American Association of Retired Persons (AARP). Dr. Peter Lamy, the director of the Center for Study of Therapeutics & Pharmacy on the Elderly at the University of Maryland, says the deaths very likely occurred because of toxic drug concentrations in the bodies of elderly patients.

Few drug companies test their products on people over 60. That's both ironic and tragic, since the elderly take a substantial portion of the drugs prescribed in the U.S. People over the age of 65 make up 12% of the population, but they accounted for 30% of the U.S. drug industry's $17.3 billion in sales last year.

The lack of a testing program for the elderly, according to Dr. T. Franklin Williams, director of the National Institute on Aging, causes 30,000 adverse-reaction-related deaths in older people each year. That number should rise as the percentage of elderly in the population rises. It is unlikely to fall anytime soon, in any case, if only because of the expenses related to testing drugs under the special conditions that prevail among the elderly. Most animal tests, for instance, are performed on laboratory rats whose metabolism resembles that of humans. Sixty-day-old rats, the standard used to test drugs, cost $6.82 each; "elder" rats, 24 months old, cost $72.82 apiece.

Given that the cost to develop each new drug has been rising rapidly—from $54 million on average in 1976 to $94 million in 1984—higher drug prices to cover additional testing are likely to hit the consumers it is meant to help. Medicare doesn't cover out-of-hospital prescription drugs, so 60% of the $5 billion that people over 65 spend each year on drugs comes from their own pockets. (People whose

The top ten

Of the ten most prescribed drugs for people over 65, six generic substitutes are available for more costly brand names, and one more, Valium, will be off-patent this year. Since Medicare reimbursement is unlikely soon, generic purchases could save older adults at least 50% on their current drug bills.

Name	Bestselling brand name (manufacturer)	Generic available?	Cost per 100 (brand name)	Cost per 100 (generic)	Daily frequency	Condition treated
1 Digoxin	Lanoxin (Burroughs-Wellcome)	yes	$ 3.30 (0.25mg)	$ 1.45 (0.25mg)	once a day	Irregular heartbeat
2 Ibuprofen*	Motrin (Upjohn) Rufen (Boots)	no	13.95 (400mg)	10.95 (400mg)	3 to 4 times	Arthritis pain
3 Propranolol	Inderal (Ayerst)	no	16.50 (40mg)	—	1 to 4 times	High blood pressure, heart problems
4 Triampterene and Hydrochlorothiazide	Dyazide (Smith Kline & French)	no	16.20 (NA)	—	1 to 2 times	High blood pressure
5 Hydrochlorothiazide	Hydrodiuril (Merck Sharp & Dohme)	yes	9.95 (50mg)	2.95 (50mg)	once a day	High blood pressure
6 Furosemide	Lasix (Hoechst Russel)	yes	11.95 (40mg)	5.95 (40mg)	once a day	High blood pressure
7 Nitroglycerin†	Nitro-Bid (Marion Labs)	yes	19.50 (6.5mg)	5.50 (6.5mg)	as needed	Angina
8 Diazepam	Valium (Roche Products)	no	21.95 (5mg)	—	3 to 4 times	Anxiety
9 Isosorbide	Isordil (Ives Laboratories)	yes	10.75 (10mg)	2.95 (10mg)	2 to 3 times	Angina
10 Methyldopa	Aldomet (Merck Sharp & Dohme)	yes	16.25 (250mg)	11.95 (250mg)	3 times	High blood pressure

*Prescription. †Capsules. NA: Not applicable.

Sources: Arthur D. Little; American Association of Retired Persons Pharmacy Service. The brand name and generic prices given are those of the AARP Pharmacy Service, which are, on average, 20% lower than retail pharmacy prices.

Health

medical costs are not supplemented by Medicaid or who do not have private insurance in addition to Medicare have an average out-of-pocket cost of $249 for prescription drugs each year.)

While reimbursement or copayment for prescription drugs is often proposed when revisions of the Medicare and Medicaid bill are debated, it is unlikely that such legislation will ever be passed. Gary Christopherson, health analyst for the House Select Committee on Aging, says that the cost of copayment would be in excess of $5 billion—a nonstarter at a time of megadeficits.

What is it about the elderly that makes it so hard to develop safe dosages? Drugs are ordinarily administered initially in strong doses in order to get a quick buildup to the proper concentration needed to work on the problem. Any surplus medication is normally excreted by the body, so that the drug doesn't build up to toxic levels, which can cause adverse reactions and even death. But older adults usually do not metabolize or excrete drugs in the same way that younger people do. The liver and kidneys, the principal mechanisms for excreting drugs, lose some of their function with age. Worse, excretion is hindered in many older people by a variety of chronic diseases that also affect these organs. Changing the dosage, to a smaller amount more times a day, for example, may facilitate excretion and also accommodate other processes in the body that affect the metabolism of drugs, but it lowers the rate at which the body responds to treatment. That's far more crucial in older people than in the young, whose natural defenses are stronger.

Not only is excretion a problem, but so is circulation. Slower circulation in older people changes the way drugs are carried through the bloodstream. The level of carrier proteins, which bind with certain drugs and transport them to the site of action, decreases with age.

Even if the metabolism of elderly people was up to it, though, there is another problem. Old people take more drugs than young people, an average of 15 prescriptions per year vs. 5.5 for people under 65. Often they are on several drugs simultaneously. Drug-to-drug interactions, according to the drug companies, make testing on older people far more difficult because it distorts the data on their own medications.

But test them they will, for all the difficulties. The Food & Drug Administration will issue guidelines this summer for testing drugs in the elderly, including a "pharmacokinetic screen" testing of the movement of drugs within the body. While the FDA guidelines will undoubtedly improve the effectiveness of drugs on older people, they will also certainly increase costs.

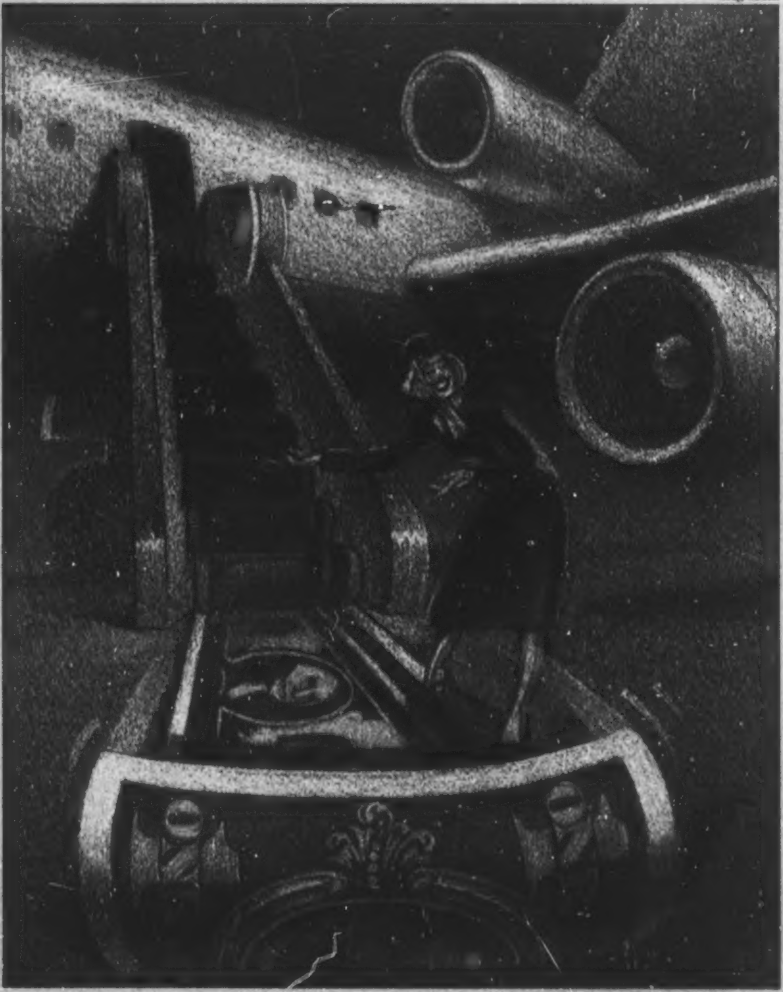
Unfortunate as that is, older people are not likely to get relief on the cost problem anytime soon. According to Marcia Codling of Arthur D. Little, the cost of reimbursing older people for prescription drugs might be manageable if patients switched to generic drugs *(see table)*. That's a good idea in theory, but in certain states no substitution of a generic for a name-brand drug can be made unless specifically called for by the doctor. The AARP Pharmacy Service often sends notes to patients informing them of the availability of a generic and suggesting that they ask their doctor to prescribe it.

"Sometimes we get notes from doctors thanking us for reminding them to specifically prescribe a generic," says Nancy Olins of the AARP Pharmacy Service. But, she adds, "sometimes we get notes telling us to mind our own business."

You simply cannot afford to ignore frequent flyer programs any longer. They are too lucrative to pass up, and it seems they are here to stay.

Free as the air

Greg Couch



By Anne McGrath

MARKETING EXECUTIVE David Henkel flew home to Chicago one day last fall from a meeting in South Carolina. After a quick stop at the office, he dashed off, not on business, but for the mileage of it, to Seattle, Anchorage, back to Seattle, then home again to Chicago, with touchdowns in Portland, Boise and Denver. Seven states—all within the space of 30 hours. Henkel, for his trouble, will travel first class, for free, all this year on United Airlines.

The jackpot in United's hit-50-states-in-50-days contest is only one example of the lunacy that airlines have abetted to tempt high-mileage business travelers to fly their friendly skies. And it works. Frequent flyer programs are now as expected an amenity as baggage handling and cocktail service *(see table, opposite)*. The programs have gotten to the point that you really can't ignore them without feeling a bit of a lunatic yourself for throwing money away, even if you don't travel all that often. Especially since almost all the programs are now open-ended. You can take years to rack up the mileage required for free passes and other bonuses.

Susan Watson, national sales manager for Karl Bissinger French Confections, travels some 100,000 miles a year. Because she took the time to fill out the American and Eastern frequent flyer applications, she and her husband have flown free to Bermuda twice, to St. Martin, to Paradise Island and to Hawaii. New Jersey businessman Fred Finn, who currently boasts an American Airlines account of 315,855 miles, has spent some of his credit for a ride on the Orient Express. Patricia Adrian, vice chairman of the Beef Industry Council, took her husband on vacation in Mexico last winter, using 80,000 miles earned on Western Airlines.

How can you get the most mileage out of these mileage plans—without scrambling to fly certain airlines and possibly fouling up your schedule? Simple. Join them all. Joining doesn't cost, except at Continental and Pan Am, which charge a nominal $25. Then stick to one airline as much as you can. Free passes could start coming your way at 10,000 to 20,000 miles. Most employers—not all—won't fuss if you use them yourself. (The IRS, at the moment confused about whether and how to tax these freebies, may eventually fuss if you don't report them. But the airlines claim they can't compile the necessary data for the IRS.)

The scoreboard in the sky

Virtually every major carrier in the country offers bonus mileage programs to passengers. Hotels, car rental companies and even cruise lines are now in on the act. With essentially no limits on the time for accruing bonuses, even moderate travelers can earn free passes and other freebies.

Airline	Sign-up mileage	When miles begin to accrue	Airlines* tied in	Hotels tied in	Car rentals tied in	Minimum miles given	Bonus miles for 1st class	Minimum miles for free passes†	For further information
American Airlines	3,000 (+2,000, if used in 60 days)	3 to 4 wks	British Airways, KLM Royal Dutch Airlines, Singapore Airlines	Inter-Continental (1,000 mi per night) Sheraton (500 to 750 mi per stay)	Avis (500 mi per rental)	750	25%	50,000	(800) 433-7300
CONTINENTAL AIRLINES	5,000	instantly‡	British Caledonian, Air France, New York Air‡‡	Marriott (500 mi per stay)	Thrifty (500 to 750 mi per rental)	500	25% to 50%	10,000 (New York Air only) 35,000	Travel Bank Service Center PO Box 4365 Houston, Tex 77210
DELTA AIR LINES	5,000	2 days to 2 wks	Lufthansa, Air Canada	Preferred Hotels, Marriott (1,000 mi per stay)	Alamo, National (1,000 mi per rental)	1,000	double	40,000	(800) 323-2323
EASTERN	5,000	instantly‡	TWA, CP Air, British Caledonian, SAS, Aer Lingus	Marriott (1,000 mi per stay)	Hertz, Dollar General (1,000 mi per rental)	1,000	double	40,000	(800) EAS-TERN
NEW YORK AIR	2,000	instantly	Continental‡‡	Resorts Intl, Grenelefe‡‡	Avis‡‡	1,000	NA	20,000	(800) 221-9300
NORTHWEST ORIENT	5,000	instantly	Regional carriers only	Stouffer, Hilton, Omni/Dunfey, Preferred Hotels, Radisson/Colony, Mandarin (500 mi per stay)	National, Thrifty (500 mi per rental)	500 (under 200 mi) 1,000 (over 200 mi)	25% (executive class) 50% (1st class)	40,000	(800) 225-2525
PAN AM	5,000	instantly‡	Republic, United‡‡	Inter-Continental, Sheraton (up to 1,000 mi per night)	Hertz (1,000 or 2,000 mi per rental)	none	25% (Clipper class) 50% (1st class)	30,000	(800) 348-8000
PIEDMONT	2,500 (+2,500 if used in 30 days)	instantly	British Airways	Stouffer (500 mi per stay)	Hertz (500 mi per rental)	1,000**	1,000 mi	40,000 (entire system)	(800) PAB-ONUS
Republic Airlines	5,000	instantly	Pan Am	none	Hertz, National (1,000 mi per rental)	500 (under 200 mi) 1,000 (over 200 mi)	500 mi	20,000	(800) 328-7648 (800) 622-6938 (Minn)
TWA	3,000	instantly‡	Eastern, PSA, Qantas	Hilton (US), Marriott (up to 1,000 mi per stay)	Hertz (up to 1,000 mi per rental)	none	25% (Business Class) 50% (1st class)	50,000	(800) 325-4815
UNITED AIRLINES	3,000 (+2,000 if used in 60 days)	2 to 3 wks	Air France, SAS, Air New Zealand, Lufthansa, Pan Am‡‡	Hyatt, Westin, Meridien, Kempinski (20% of next flight's mi)	Hertz, Budget (500 mi per rental)	750	25%	50,000	(800) 421-4655
USAIR	1,000	3 wks	Allegheny, Commuter	none	none	none	NA	30,000 (entire system)	(800) 872-4738
Western Airlines	1,000	instantly	regional carriers only	Sheraton Hotels, Village Resort condominiums‡‡	Budget (500 mi per rental)	500	50%	30,000	(800) THE-WEST

*In addition to those listed, most programs offer credit for flights on regional airlines. †Lowest mileage at which at least one pass is free, excluding level where free pass comes with purchase of pass. In most cases, hotel and car rental discounts also apply. ‡Back credit is given for application processing period. **Daily, excluding some routes. ‡‡For awards. NA: Not applicable.

Personal Affairs

If you want to dole out those bonus flights among your family—so the kids can get home from college, say—many of the airlines won't object. But note: Don't count on pocketing all the miles your spouse and kids fly just because you buy the tickets. Generally, the rules are explicit—you have to board the plane yourself.

The only way you can sneak your kid's home-for-vacation miles into your account is if he travels under your name. An exception: Continental does allow miles flown by immediate family members to count.

Should you decide to sign up fast before an impending whopper trip—say to Europe this summer—check how long it will take your airline to process that application. American requires three to four weeks, during which time your trips won't count. Many airlines, however, will now issue an ID number on the spot. Continental, Pan Am, Eastern and TWA will credit you for interim trips if you save the receipts.

The industry has grown so competitive lately that you can practically accrue miles just by getting up in the morning. You'll earn 1,000 to 5,000 for simply signing on. Nearly all the majors have struck up partnerships with hotels and car rental companies, too, so there's plenty of opportunity to gain air miles with both feet on the ground. Fly Delta or Eastern and you'll get a 1,000-mile bonus if you stay at a Marriott when you get where you're going.

What if you belong to American's program? Rent with Avis for a drive to the beach. Even if you're renting at your corporate discount, you'll add 500 miles to the grand total.

You don't always have to be a frequent flyer to get a break with the airlines. Keep an Avis car for five days and you can fly one way with American anywhere in the U.S., Mexico, Puerto Rico or the Virgin Islands for $49. Pay the "moderate" rate at any of Inter-Continental's seven U.S. hotels for any seven nights through Sept. 1, and fly round-trip for free to Europe on American or Pan Am. Take the *Queen Elizabeth 2* to Europe for as little as $1,295 and come home on the Concorde for only $549. That $1,844 total is $622 less than the normal one-way Concorde fare.

You can often accumulate mileage credits on one airline by flying another, too. United credits you with miles flown on Air France, SAS, Lufthansa and several other carriers; American, with trips on British Airways, KLM and Singapore Airlines. TWA and Eastern have agreed to credit each other's frequent flyers—with few restrictions—for all flights on either airline. That means your domestic and foreign travel can be pretty much covered. Pan Am and Republic will also honor each other's mileage; 20,000 miles per flyer are transferable. Delta allows miles flown on Lufthansa and Air Canada. Piedmont credits travelers with miles flown on British Airways to London.

Read the fine print, though, before heading off to explore Europe. Otherwise you may be surprised to discover those additional miles do not count. If Continental travelers fly British Caledonian while in Europe, only miles to London accrue to their accounts, not additional legs on the Continent. Should they fly Air France, on the other hand, they can get credit for flights to some 60 European and Mideastern cities. United will credit you on SAS as far as Copenhagen, Oslo, Göteborg or Stockholm. Leave home on Lufthansa instead and every European mile will count.

Frequent flyer programs are now as expected an amenity as baggage handling and cocktail service. You can't ignore them without feeling a bit of a lunatic for throwing money away.

Be careful to follow your club's news pretty closely, too. Check its newsletters for new ways to earn miles. As a United frequent traveler, for example, you can now accumulate mileage by taking Royal Viking Cruise Lines cruises. Eastern has teamed with Cunard, and Piedmont has teamed with Carnival Cruise Lines to reward loyal flyers with cut-rate and free at-sea vacations.

No sooner does one special end than the next begins. When Eastern recently inaugurated its nonstop service from Newark to San Francisco, it announced a bonus of 1,000 miles for frequent flyers who tried the flight. You can earn 1,000 extra miles for each flight you make in the U.S. and Canada through Dec. 15 if you fly Northwest Orient. American is giving double and triple mileage to travelers through October for certain continuing segments flown on British Airways and KLM in Europe.

Suppose you're just a short-distance shuttler—constantly back and forth between New York and Washington, for example. Check the minimum-mile allowances most airlines give for even the puniest hops. Both Eastern and New York Air will give you 2,000 miles for that New York-Washington round-trip. Ten round-trips with New York Air and you have your first free pass—one round-trip on New York Air's system and a weekend day's car rental with Avis.

As long as you take a regularly scheduled flight, you will get those miles no matter how inexpensive the fare. (There are restrictions on charter travel, travel industry discounted fares, unlimited-flight passes for senior citizens and foreigners visiting the U.S. and such. In nearly all cases, the miles you fly while on an award trip won't count.)

Fly first class with most lines and you will earn substantially more miles than you will fly. Not only does Delta double mileage if you fly up front, but it also makes the opportunity to do so very tempting. Frequent flyers have the option of upgrading to first class for a mere $15 to $45.

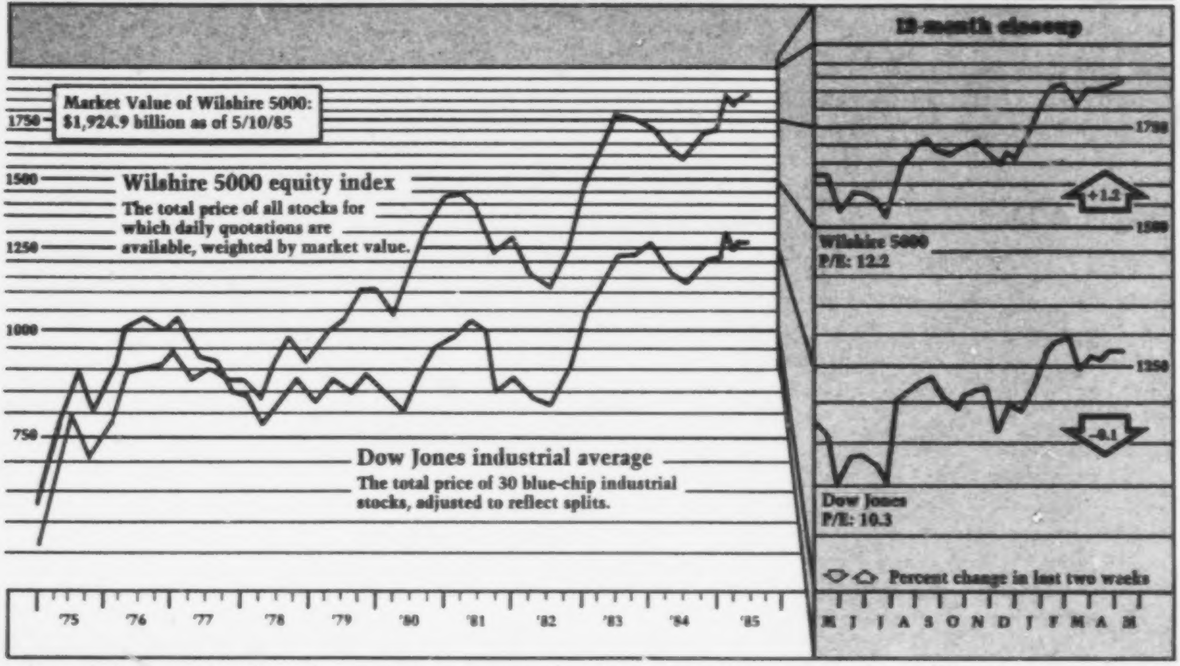
What sort of rewards will all this flying bring? Some samples: At 175,000 miles, TWA will give you two first-class passes around the world. American, at 150,000, will send you and a companion off on Singapore Airlines, give you seven days' free car rental and a hotel discount. When you accumulate 80,000 on New York Air, you will get two passes to London and a car for a week. Only 70,000 Piedmont miles earn a three-day cruise.

There are those, of course, who, like Denver political consultant Chuck McLean, would rather use that precious vacation time to "sit in the living room and stare at the walls." And count money.

Brokers like Travel Discounts International of New York, Chicago and Honolulu will buy your credit for 1.6 cents to 1.8 cents a mile—although airlines vehemently disapprove—and then sell discounted airline tickets to tourists. When Fred Finn decided he'd like ten days in Hawaii with his wife and son—expenses like hotels, limousine service and champagne in the room all included—he turned over 300,000 American Airlines miles to TDI, which converted them into such a dream vacation.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



A few small losses but lots of new highs. Because the market slumped at first, the Dow industrials ended the recent two-week period with a 0.1% loss and the Amex fell 0.7%. But four out of the last five trading sessions brought good news. During the last week the Dow rose more than 26 points and more than 400 New York- and Amex-listed shares hit 52-week highs. In addition, three indexes—the Wilshire, the NYSE and S&P's 500—ended the period at alltime highs. For the last two weeks the NYSE gained 1.1% while the Wilshire, Nasdaq and Forbes 500 all rose 1.2%. But the Nasdaq is still off nearly 13% from its June 1983 high.

While the overall market, as measured by the Wilshire index, registered a 2.1% gain for the four-week stretch, Amex issues bucked the trend and posted a 1% loss. Our investor yardsticks, below, indicate that over the last four weeks conservative issues maintained a moderate edge over speculative shares.

Close-up On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	2.1	2.2	0.7	1.9	−1.0	2.4
in last 52 weeks	16.8	17.8	10.1	16.9	9.1	14.7

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	2.7	0.2	0.5	2.0	1.7	1.6	2.5	1.9	0.5	1.7	3.2	0.4
in last 52 weeks	20.7	10.2	12.3	27.9	5.0	26.4	26.4	15.9	10.5	28.5	27.0	0.5

[1] Based on sales.
[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

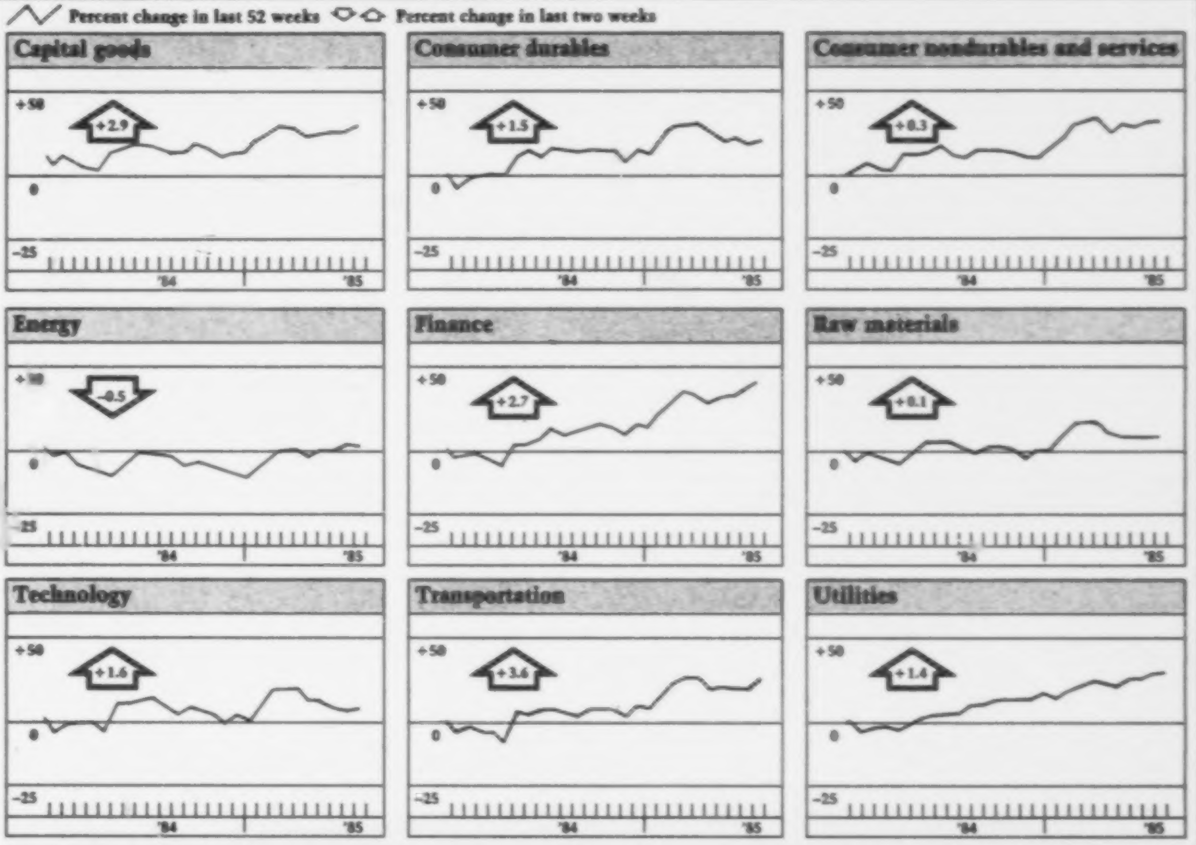
Note: All data for periods ending 5/10/85. Prepared by Wilshire Associates, Santa Monica, Calif.

Kenneth Alcorn

Where The Action Is

A possible takeover attempt helps airlines take off. Transportation shares outperformed all others during the last two weeks, with a 3.6% gain. Trans World Airlines, Carl Icahn's latest target, was the best-performing major transportation stock. The second-best-performing group was capital goods, which posted a 2.9% increase. Meanwhile, utility shares gained 1.4%, with Houston Natural Gas (being taken over by InterNorth) up more than 50%.

Energy shares was the only group to end up in the loss column, with a 0.5% loss. Atlantic Richfield, which recently announced plans to restructure, was the best-performing big-capitalization oil, with a 17% gain for the last two weeks. But the market's initial reaction to Mobil's plan to dump Montgomery Ward was less favorable.



What The Analysts Think

Not quite so cheap as before. While The Forbes Sales 500 rose 1.2% over the last two weeks, analysts made minor upward estimate revisions in only two sectors, finance and consumer nondurables. Two weeks ago The Forbes 500s sold at 10.8 times latest 12-month earnings, but now the P/E is 11 and the multiple for 1985 estimates is 9.4.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.63	11.0
1985 estimates	4.24	9.4
1986 estimates	4.77	8.4

Rank based on change in estimate	Sector	Estimated 1985 EPS	P/E	% change in 1985 estimate in 2 weeks	in 4 weeks
1	Finance	$3.33	9.8	0.26%	0.15%
2	Consumer nondurables	2.61	11.8	0.08	-0.03
3	Utilities	3.57	7.8	-0.36	-0.79
4	Consumer durables	4.81	7.8	-0.41	-0.10
5	Transportation	3.15	8.9	-0.52	-1.08
6	Energy	3.50	8.5	-0.54	-0.85
7	Capital goods	2.95	10.9	-1.03	-1.77
8	Technology	2.90	11.6	-1.19	-2.38
9	Raw materials	2.30	10.5	-1.66	-2.83

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 5/10/85. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

Statistical Spotlight

The guys getting rich off takeovers and leveraged buyouts are signaling that cash flow is more important than earnings.

Cherchez la cash

By Leslie Pittel

Boone Pickens and Carl Icahn don't have a patent on making money in today's market. They use the same data sources and computer screens available to any investor, but they look for different things than your ordinary investor is trained to look for. The table below will help you think like a takeover artist.

"More than earnings multiples, acquirers are concerned with cash flow. They want to know if the company will generate enough cash to more than service the interest cost incurred in the takeover," says Stephen Leeb, editor of the *Investment Strategist.*

This explains why takeover artists and leveraged buyout financiers sometimes offer enormous multiples of earnings, or even go after companies without earnings. Storer Communications lost $17 million last year, but it is the target of a buyout offer worth about $1 billion. In the takeover artists' book, earnings is a sucker's game; cash flow is what it is all about.

The best kind of cash is free

These 50 companies are fairly cheap in relation to their "free cash flow"—which we define as pretax income plus depreciation, minus capital outlays. That could make them plausible buyout candidates.

		Price		Free	Free cash			Latest 12 months	
Exch	Company/business	current	12-month high low	cash flow per share*	flow/ price	Debt/free cash flow	Debt/ equity	EPS	P/E
a	Action Inds/housewares	10½	18¼– 9¾	$2.72	25.9%	1.1	52%	$0.34	30.9
n	Adams-Millis/textiles	14½	20 –11⅞	5.78	39.9	1.3	40	2.46	5.9
n	Arkansas Best/trucking	19	23⅛–13⅝	5.15	27.1	1.6	53	2.60	7.3
n	Arvin Inds/auto parts	19⅝	23¾–14¼	4.43	22.9	1.3	32	2.66	7.3
n	Assoc Dry Goods/retail	60⅛	63 –45⅛	13.30	22.1	1.6	39	6.07	9.9
n	Barnes Group/multiform	20½	24½–18	4.94	24.1	1.1	30	2.33	8.8
o	Bassett Furniture Inds/furniture	34	38¾–30¼	6.75	19.9	0.0	0	3.67	9.3
o	W Bell & Co/specialty retail	10¾	10¾– 7	2.11	19.6	1.0	23	0.93	11.6
n	Brunswick/recreation	32	40¾–23¾	6.89	21.5	0.8	24	4.41	7.3
n	Celanese/chemicals	91⅜	94⅜–62¾	22.03	24.1	2.2	66	10.73	8.5
n	Chicago Pneumatic/industrial machinery	22½	26¾–16⅝	6.44	28.6	1.0	23	2.83	8.0
n	Chrysler/automotive	34⅞	38½–20⅞	14.31	41.0	0.4	23	12.85	2.7
n	Colt Inds/industrial machinery	56	63½–39⅞	11.91	21.3	0.5	36	6.24	9.0
n	Commodore Intl/computer software	10¼	35¼– 8¼	6.55	63.9	0.4	24	1.40	7.3
n	Crompton & Knowles/specialty chemicals	18⅞	23½–18⅜	4.67	24.7	1.4	31	2.12	8.9
n	Dana/auto parts	26⅛	30⅝–21⅛	7.28	27.9	0.8	26	3.42	7.6
n	Diebold/office equipment	39⅝	59 –37	7.92	20.0	0.1	3	4.08	9.7
n	Eagle-Picher Inds/auto parts	22	28¼–20	5.14	23.4	1.3	27	2.84	7.7
n	Eaton/electrical equipment	52¼	60¼–37¾	11.48	22.0	1.2	37	8.01	6.5
n	Farah Mfg/apparel	17¼	28¼–14⅜	3.82	22.1	2.4	93	2.39	7.2

*Pretax income plus depreciation, minus capital expenditures.

Sources: Standard & Poor's Compustat Services; Forbes

In mid-March a dissident shareholder group, Coniston Partners, proposed liquidating Storer, saying it was worth much more than the $40 to $50 a share it was trading at before takeover rumors began. The dissidents backed off, but only after the company agreed to a leveraged buyout that will give shareholders $75 a share in cash plus some preferred stock and warrants.

Who would want to pay $1 billion for a moneylosing company? Nobody, but Storer was in the red only in the naive sense that it showed no reported profits. Smart investors don't worry much about reported profits, which are often an accounting fantasy. Storer's deficit is attributable to depreciation and amortization expenses—paper deductions for past capital outlays. Cash flow—earnings before depreciation is taken out—has been substantial and growing rapidly.

But, you ask, isn't depreciation a true cost? It is, but it can be misleading. It is an allowance for past capital expenditures. But financiers care more about future expenditures than past ones. The question for the buyers is: Must we continue to lay television cable in order to maintain this business? Or can we sit back and enjoy the income stream generated by past capital expenditures?

In Storer's case, the latter is true. In recent years all of Storer's cash flow and then some had to be plowed back into expansion of the cable lines. But the LBO organizers are looking a few years down the road, when Storer will no longer be faced with cable installation expenses. The higher cash flow would be more than adequate to service the new debt that would be taken on to finance a buyout.

Cash can flow in and cash can flow out. The takeover types like the kind of cash flow that only comes in and doesn't go out. This is called "free cash flow." For our table, we define "free cash flow" as pretax income plus depreciation, less capital expenditures. Since we are looking for potential acquisition candidates, pretax income is more relevant than aftertax earnings. This is because most of the payments on debt added during the takeover or leveraged buyout are interest and therefore financed out of pretax income. It's sad but true: Takeover artists are subsidized by our ridiculous tax system, which allows junk bonds to be serviced with pretax income.

Why subtract capital expenditures? Because there is no use taking over a company with large operating income if that money has to be poured back into the business. Steel mills and railroads are like that. The owner has to spend heavily merely to stay in place.

The best kind of cash is free

Exch	Company/business	Price current	Price 12-month high low	Free cash flow per share*	Free cash flow/ price	Debt/free cash flow	Debt/ equity	Latest 12 months EPS	Latest 12 months P/E
n	**General Dynamics**/aerospace	67⅜	84 –44¾	$14.37	21.3%	0.0	2%	$8.08	8.3
n	**Gordon Jewelry**/specialty retail	15⅜	19 –13¾	4.11	26.7	0.4	7	0.89	17.3
n	**Great Lakes Intl**/marine construction	52¼	52½–27½	10.47	20.0	1.0	34	3.94	13.3
n	**Hayes-Albion**/auto parts	10¼	13⅞– 8	2.26	22.0	1.7	30	1.44	7.1
n	**Huffy**/recreation	10⅝	13⅞– 9⅞	2.96	27.9	1.9	45	1.15	9.2
n	**Interco**/apparel	67⅜	70½–55	14.33	21.3	1.0	20	5.68	11.9
n	**Kysor Industrial**/trucking	17½	23¼–13	3.49	19.9	1.9	42	3.01	5.8
o	**La-Z-Boy Chair**/furniture	41¼	42¾–26½	8.59	20.8	0.3	11	4.63	8.9
o	**Ladd Furniture**/furniture	17½	18¼–12½	3.85	22.0	0.4	23	2.09	8.4
o	**Lincoln Telecomm**/telecommunications	32¼	32¾–23½	7.38	22.9	2.7	73	3.92	8.2
o	**Mack Trucks**/automotive	9¾	19⅜– 9¼	2.40	24.6	1.2	14	1.96	5.0
o	**Mosinee Paper**/paper & forest prods	11¾	14⅝–11¾	2.65	22.6	0.9	22	1.56	7.5
n	**Murphy Oil**/integrated oil	30⅝	35⅞–23½	10.15	33.1	0.7	26	2.47	12.4
n	**Nashua**/office equipment	27¼	29⅞–21⅜	6.12	22.5	1.6	38	3.83	7.1
a	**New Process**/mail order	18⅝	20½–13	3.98	21.4	0.0	0	1.91	9.8
n	**Occidental Petroleum**/oil & gas prod	30	35¾–23⅛	17.73	59.1	2.3	151	2.84	10.6
o	**Oglebay Norton**/shipping & mining	29½	29½–25	6.36	23.3	1.6	25	3.37	8.8
n	**Outboard Marine**/outboard motors	22⅞	31½–18⅜	5.37	23.5	1.0	25	2.16	10.6
o	**Paccar**/automotive	40	53¼–38½	11.31	28.3	0.1	2	6.89	5.8
n	**Phillips Petroleum**/integrated oil	39¼	56⅛–33⅜	10.30	26.2	1.8	43	4.71	8.3
n	**Phillips-Van Heusen**/apparel	22⅜	28½–16¼	4.90	21.9	0.9	22	2.44	9.2
n	**Planning Research**/computer software	11½	15⅜– 8⅝	3.42	29.7	0.7	24	0.95	12.1
n	**Robertshaw Controls**/appliances	29¾	36⅝–27¼	6.29	21.1	0.8	19	4.26	7.0
n	**Russ Togs**/apparel	18	20 –15⅜	4.43	24.6	0.1	3	2.09	8.6
o	**Stanadyne**/precision metals	25¼	29¾–17½	6.12	24.2	0.5	17	3.31	7.6
a	**Standard Products**/rubber	20⅞	23⅞–13½	5.33	25.5	0.5	20	3.51	5.9
o	**Tecumseh Products**/compressors, motors	103	105½–78½	20.72	20.1	0.0	0	12.62	8.2
n	**VF Corp**/apparel	32¼	33¼–21¾	7.66	23.8	0.7	35	3.85	8.4
n	**Van Dorn**/containers	20½	28¼–19	4.89	23.9	1.0	29	3.53	5.8
n	**Western Pac Inds**/precision instruments	121	126½–91¾	28.86	23.9	1.1	38	12.86	9.4

*Pretax income plus depreciation, minus capital expenditures.

Sources: Standard & Poor's Compustat Services; Forbes

Broadcast properties, mature pipeline systems and wired-up cable franchises, by contrast, often generate a lot of uncommitted cash flow. Takeover tycoons love them.

Ideally, of course, the analyst would use some projection of future capital outlays. Those numbers, however, are not readily available from most companies. We had to settle for last year's capital outlays in computing the free cash flows in the table.

Here is an example of the company we were looking for: Tecumseh Products, a little-known but successful maker of refrigeration compressors and small engines, with sales of $902 million last year. Income before taxes and before depreciation runs well ahead of capital expenditures, and this debt-free company doesn't have a penny of interest to pay. With heavy insider stock ownership, it probably won't be the subject of a hostile takeover, but a leveraged buyout by management is quite plausible.

We screened the Compustat database of over 5,000 firms for the companies with the highest cash flow yield ("free cash flow" divided by price). Highly leveraged companies, where debt was more than two times equity, were dropped. We eliminated financial firms, utilities and firms with sales less than $75 million.

We made two other adjustments to come up with our final list. First, we kept only those firms with long-term debt less than three times our pretax cash flow. Second, we checked the Institutional Brokers Estimate System universe of analyst estimates to make sure that all the firms are expected to earn more in 1985 than over the latest 12 months. That's evidence that Wall Street is not anticipating an earnings or cash flow collapse for these companies.

We ended up with 50 issues, 5 in apparel and 4 in auto parts. As in many lists of undervalued stocks, both industry groups have problems. Imports are hurting apparel manufacturers. Auto parts makers are susceptible to both cyclical downturns and offshore sourcing. Arvin Industries (FORBES, *Mar. 11*) may be better situated than some auto parts companies because it has diversified into electronics and consumer products. Its stock recently moved up 6% in a single day—takeover rumors, perhaps.

Be forewarned that the business of appraising breakup or takeover values is crowded these days *(see story, p. 38)*, and that companies on our list were picked by a computer, not a live takeover artist. But it doesn't hurt to be on a level playing field with the pros. ■

Will the Cocoa Exchange's new CPI future fly? Well, when was the last time you saw an economist laughing uproariously?

Suckers needed

By Harold Seneker

IN ANOTHER CONTEXT and setting—say Las Vegas—you might call these people casino operators, croupiers and shills. But this is an "educational seminar" on the 106th floor of the World Trade Center in New York City sponsored by the Coffee, Sugar & Cocoa Exchange. The subject: a new futures contract, a contract on—get ready for this—the Consumer Price Index.

The Consumer Price Index? Yes, breathes F. Helmut Weymar, a vice chairman of the Cocoa Exchange and president of his own commodities firm in Princeton, N.J. "This could be a great breakthrough for the futures markets. If this is successful, the possibilities are incredible. For the first time, we have a contract that's not based on any physical commodity at all, not even a financial instrument."

A mind-boggling concept, all right. If the CPI future flies, you see, you ought to be able to trade anything volatile on the face of the earth, tangible or intangible, and the Cocoa Exchange is all ready to do so: housing starts, new car sales, corporate earnings figures.

So the Exchange is pulling out all stops for the CPI future. Thus the seminar at Windows on the World, to educate corporate and financial economists and the press. Some big names were there. Economist Phillip Cagan of Columbia, for example, proved in mind-numbing detail that inflation was unpredictable more than a few months ahead, had been unpredictable, probably always would be. Perfect for a futures market.

Another Leading Economist, David Meiselman of Virginia Polytechnic, was a lot less academic. "You will be able to hedge bonds with long posi-

Brian Ajhar

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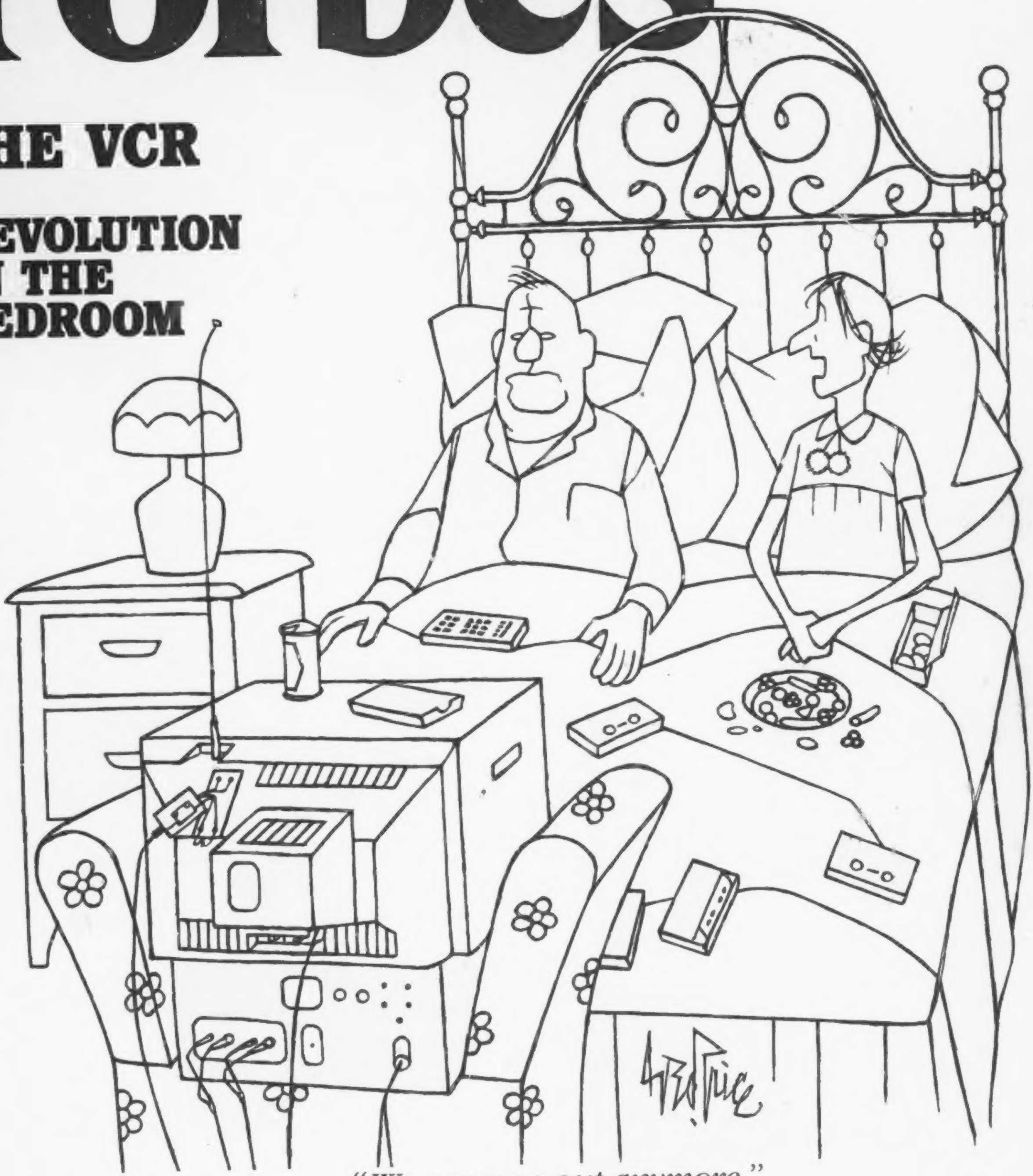
JUNE 17, 1985 THREE DOLLARS

Forbes

THE VCR

REVOLUTION IN THE BEDROOM



"We never go out anymore."

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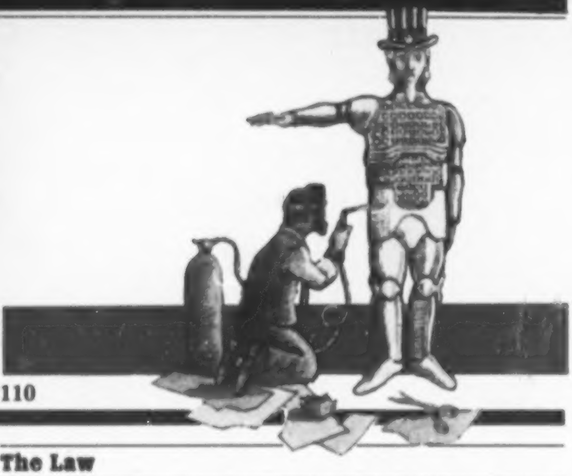

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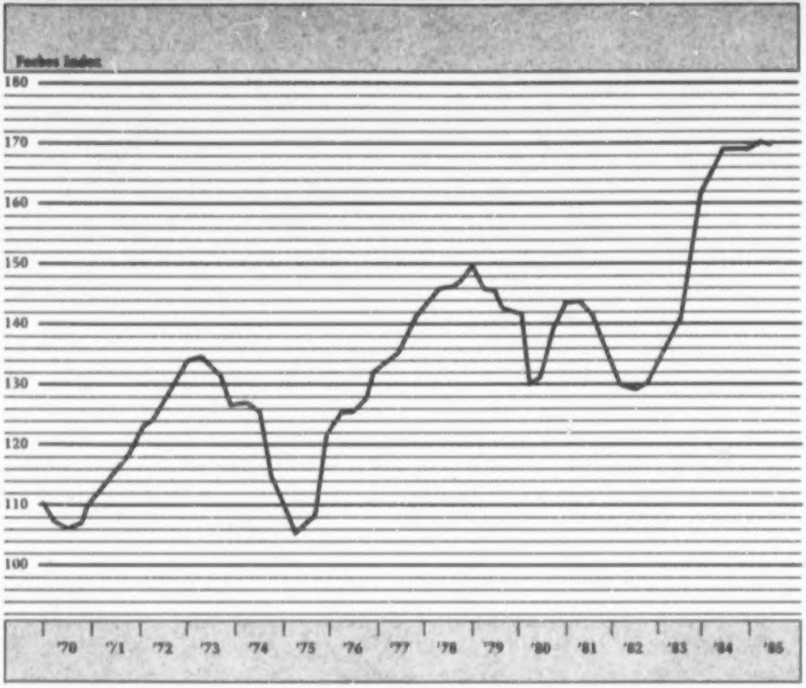
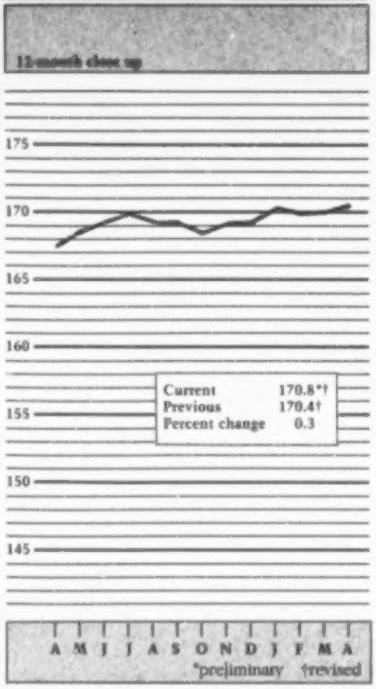
Cover illustration by George Price

The Forbes Index





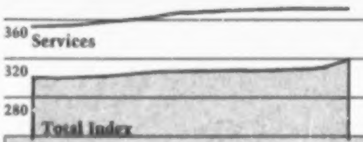
Not ready to quit. With a 0.3% gain, the Forbes Index hit a new high in the latest reporting period. While still some 5.4% below the record level of June 1984, new housing starts continue to recover from the doldrums. They jumped 20.7% over the previous month's figure. Manufacturers' new orders rose 1% from month-earlier figures, while retail sales posted a 0.9% gain.

The CPI rose 0.4% over the previous month, or 4.9% on an annualized basis. One month earlier the CPI was increasing at a 5.3% annual rate. The annual rate for the services component of the CPI is now 3.8%. In contrast, personal income is now growing at a 7.3% annual rate. Finally, industrial production fell 0.2% from the previous month, even though it is up 2% from a year ago.

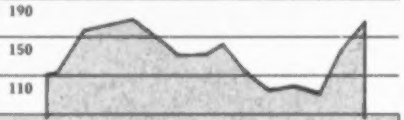
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

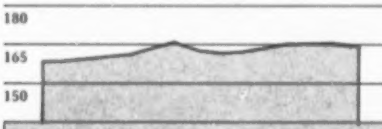
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



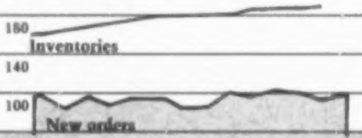
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



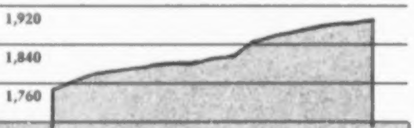
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



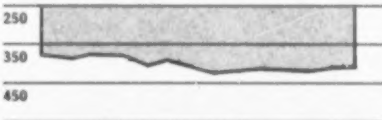
Industrial production index (1967 = 100)
seasonally adjusted (Federal Reserve)



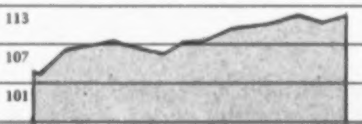
Manufacturers' new orders and inventories
($billions) seasonally (Dept. of Commerce)



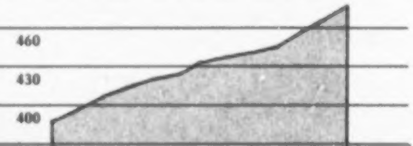
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month
(thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions)
seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

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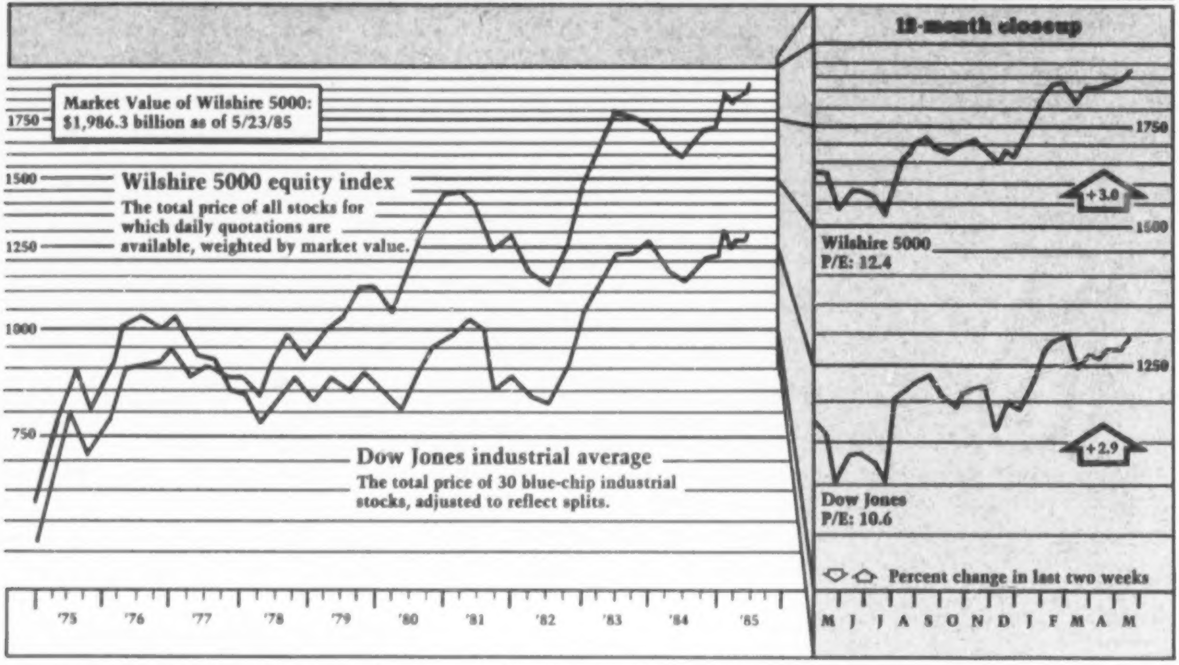
The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Excursion into higher altitudes. The Dow industrials managed not only to close above 1300 but also to end the next two trading sessions above it. The broadly based Wilshire index of more than 5,600 securities hit a recent peak one day ahead of the Dow, on May 20. Then the market retreated slightly, but it was nevertheless a good two weeks for many investors. The Dow closed out the stretch at 1296.7, a 2.9% gain, while the Wilshire was up 3%. Nasdaq shares were a bit stronger than the market and gained 3.1%, but Amex issues registered only a 1.2% increase. The investor yardsticks, below, indicate that all types of shares were being bought, but shares with a conservative flavor generally held a slight edge.

Wall Street has fared well over the last year. Over the last 52 weeks the Wilshire, The Forbes Sales 500, NYSE and Nasdaq all managed gains of around 25%. That return comes on top of dividends averaging 4.5%. Amex issues, however, increased by only 15.9%.

Close-up On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	2.4	2.2	0.9	2.2	–0.3	2.9
in last 52 weeks	25.0	25.7	17.5	24.7	15.9	24.1

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	3.3	0.8	1.5	3.4	2.6	2.6	2.3	2.5	1.5	1.7	3.7	0.6
in last 52 weeks	30.0	17.5	21.7	34.7	13.1	34.0	32.6	24.2	17.7	34.7	35.5	5.7

[1] Based on sales.
[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

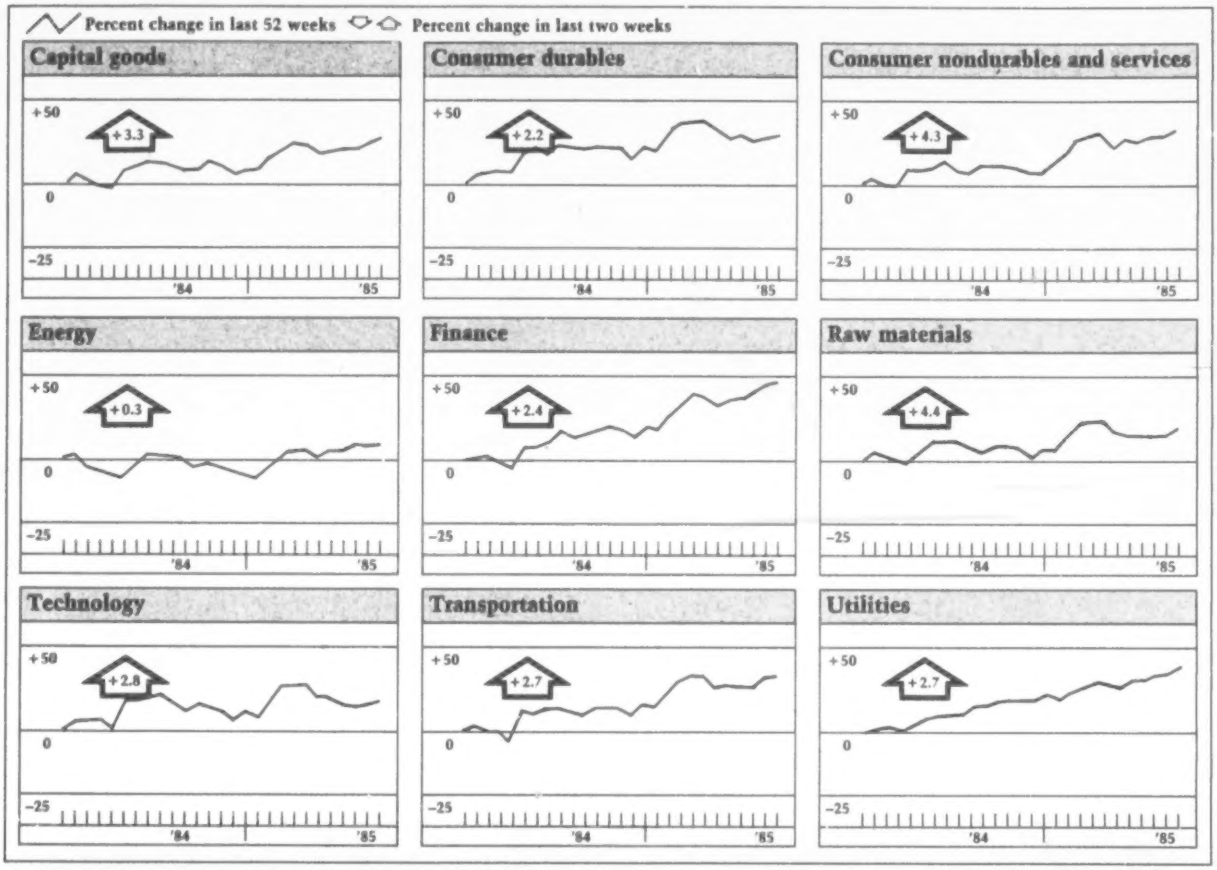
Note: All data for periods ending 5/23/85. Prepared by Wilshire Associates, Santa Monica, Calif.

Kenneth Alcorn

Where The Action Is

Has the oil patch capped the takeover blowout? During the last two weeks all sectors except energy posted fairly impressive gains. Energy shares were another story. With Unocal effectively thwarting a takeover attempt, investors lost interest in the oils as a way to make a fast buck. Energy shares managed only a 0.3% gain.

Meanwhile, consumer nondurables, raw materials and capital goods outperformed the overall market. Consumer nondurables, propelled by Upjohn, rose 4.9%. Finance shares, with a 45.6% gain for the last 52 weeks, have outperformed the Wilshire index over this time span by almost a 2-to-1 margin. The two poorest-performing groups over the last year: technology and energy, with respective gains of 14% and 6.3%.



What The Analysts Think

High time for finance. Finance shares have done well of late. Thank analysts, who in the last two weeks have made enough upward revisions to allow this sector to show a gain in estimated 1985 earnings. But with disappointing GNP growth for the first quarter, it is no surprise estimates were lowered for the eight remaining groups.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.65	11.2
1985 estimates	4.21	9.7
1986 estimates	4.75	8.6

Rank based on change in estimate	Sector	Estimated 1985 EPS	Estimated 1985 P/E	% change in 1985 estimate in 2 weeks	% change in 1985 estimate in 4 weeks
1	Finance	$3.30	10.0	0.52%	0.79%
2	Energy	3.51	8.6	-0.10	-0.67
3	Utilities	3.46	8.0	-0.35	-0.71
4	Consumer nondurables	2.57	12.3	-0.49	-0.44
5	Transportation	3.10	9.1	-1.00	-1.51
6	Consumer durables	4.74	7.9	-1.36	-1.71
7	Capital goods	2.91	11.2	-1.52	-2.55
8	Technology	2.84	11.8	-2.02	-3.19
9	Raw materials	2.21	11.1	-3.07	-4.69

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 5/23/85. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

Reliable weather forecasts months in advance would give fundamentalists a priceless edge in the commodity markets.

WILL IT RAIN IN AUGUST?

By Stanley W. Angrist

Long-range weather forecasting—like the weather itself—seems to be something that everyone likes to talk about but nobody has been able to do much about, at least not with much proficiency. It is clear, as far as commodity traders are concerned, that an accurate long-range forecast would be worth its weight in Prince tickets.

Paul Handler, a physics professor at the University of Illinois, believes that he has come up with a method of producing such forecasts. He admits that his theories—interesting, even if not the last word in long-range forecasting—are controversial and not widely accepted. He has made, however, some forecasts that would have made you financially better off had you used them as a basis for your trading.

Handler believes that volcanic action is the key to making forecasts for several months into the future. When volcanoes erupt, they shoot a mixture of materials into the air that subsequently form a "stratospheric aerosol"—droplets made up primarily of sulfuric acid and water that can hang in the stratosphere for years. After a few months the aerosol forms a belt around the earth roughly at the latitude at which the eruption took place. This belt filters the sunlight reaching the earth's surface, thus modifying the climate and affecting growing conditions.

In the early summer of 1983 Handler used his newly formulated aerosol theory to make several long-range forecasts. He predicted that the U.S. would suffer a corn-belt drought; that there would be no frost in Brazil; and that the U.S.S.R. would have a better crop than they had had in 1982. In fact, the U.S. suffered a record drought, with corn yields dropping significantly; there was no frost in Brazil; and the Soviet grain crop was up by 15 million metric tons. In 1984 Handler made eight forecasts, all of them available for six months or more before harvest. Seven of them were basically correct. He only missed when he suggested that the African cocoa crop would be down.

Handler's present technique allows him to modify his long-range forecasts to take into account shorter-term indicators, such as the position of the jet stream during the spring and early summer. He has found over the period from 1866 to 1984 a very strong correlation between the U.S. corn yield and the sea surface temperature of the eastern tropical Pacific Ocean, commonly called "El Niño."

Handler has prepared a set of forecasts for this year based on his indicators. He is estimating a corn crop in the 95-to-100-bushels-per-acre range; the U.S. soybean crop at 28 to 30 bushels per acre (the five-year averages for corn and beans in bushels per acre are 100.1 and 28.6, respectively); and a Soviet grain crop that will increase by 20 million to 25 million metric tons over 1984. Readers who believe that Handler's long-range forecasting could enhance their trading may follow his work by subscribing to *Atlas Forecasts* (217-344-5448).

This is the time of the year when it is appropriate to look at one of my favorite spreads—December wheat versus corn. This spread works a high percentage of the time because it takes advantage of the different harvest times of the two crops. Wheat is in the process of being harvested, causing supplies to be burdensome and prices depressed, while corn won't be harvested until fall. It will then be plentiful.

'Tis the season

The wheat versus corn spread usually is put on in late spring and removed in late fall. It's not exciting to watch, but has been a reliable moneymaker, showing profits in 9 of the last 12 years.

Year	—Week ended— June 3*	Nov 11*	Potential profit
1973	88.75	212.90	$ 6,207
1974	128.35	134.50	307
1975	77.95	95.40	872
1976	111.13	20.15	–4,529
1977	9.03	48.00	1,948
1978	69.50	130.63	3,056
1979	106.75	157.85	2,550
1980	140.75	145.95	260
1981	91.15	151.70	3,027
1982	104.63	99.10	–276
1983	89.76	(1.35)	–4,555
1984	75.62	87.80	609

*Price differences are in cents per bushel.

Given the strong reliability of this spread, I think it is worth a shot again this year. Try to buy December wheat/sell December corn with the wheat at less than a 75-cent premium to the corn. Then look for at least a 35-cent profit ($1,750 per spread) and risk no more than 15 cents ($750 per spread) from your entry point. If Handler's forecast turns out to be wrong and the corn belt shows signs of drought, prudent spreaders would exit this trade immediately. The margin on this position is $500, while the round-turn commission at a discount broker is about $50. ■

Stanley W. Angrist is a commodity speculator, consultant and longtime observer of the commodity markets.

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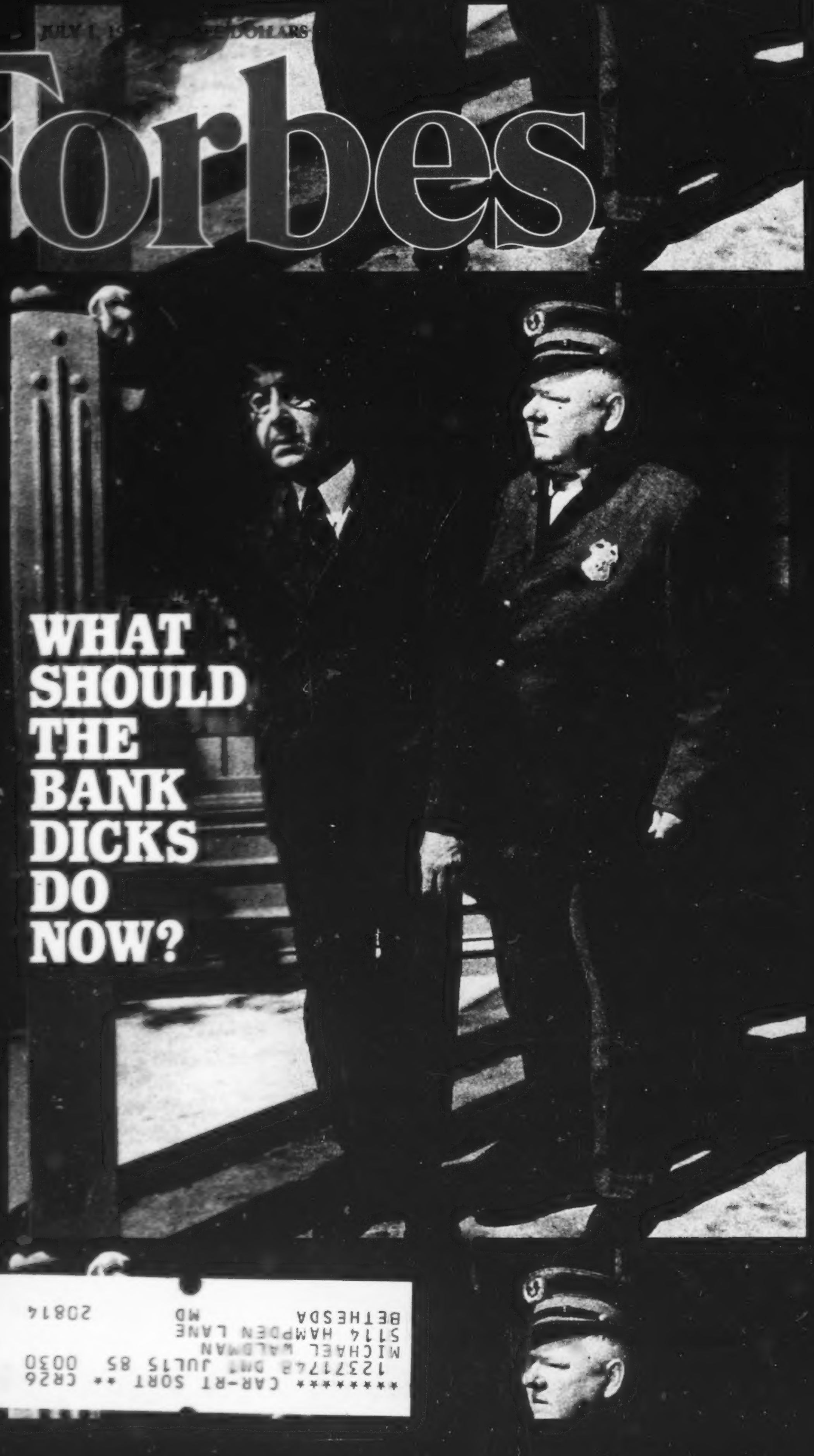
JULY 1, 19[illegible] [illegible] DOLLARS

Forbes



WHAT SHOULD THE BANK DICKS DO NOW?

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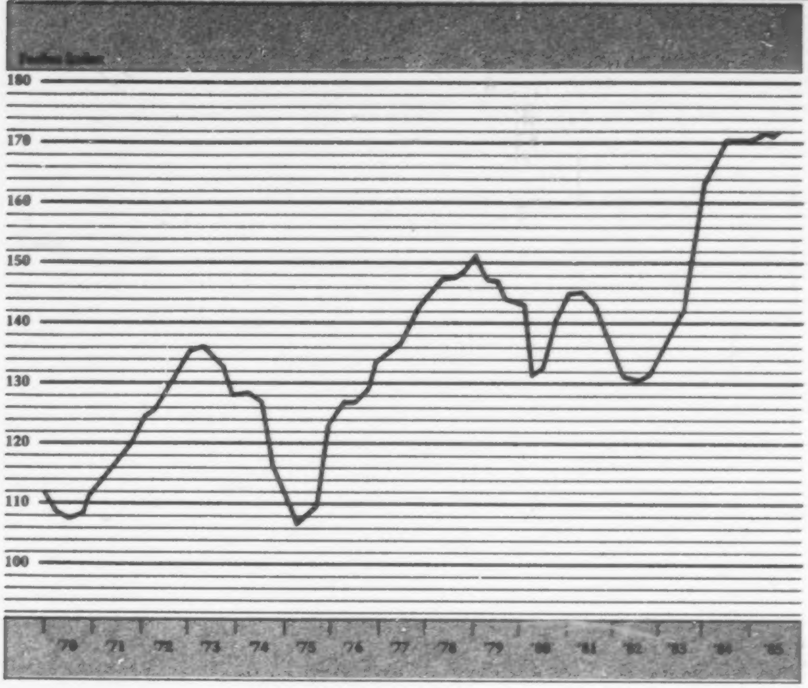
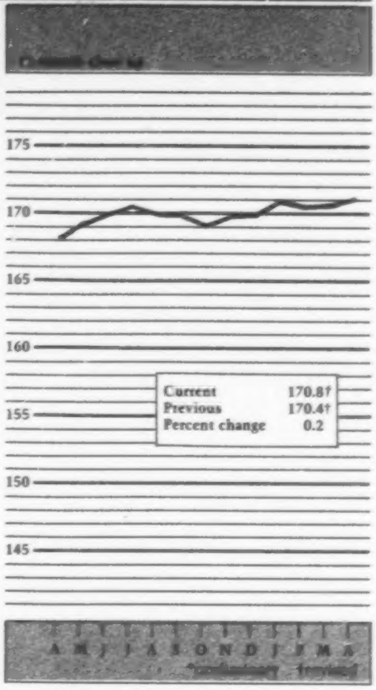
Cover photo: © 1940 *The Bank Dick*, Universal Pictures Co., Inc.

The Forbes Index





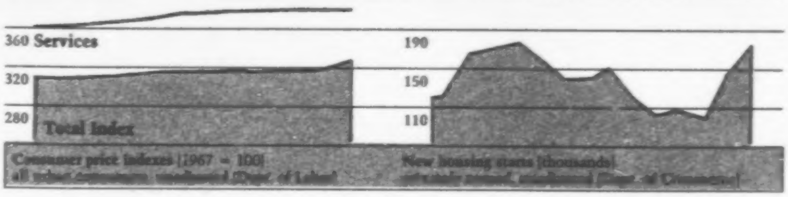
Current	170.8†
Previous	170.4†
Percent change	0.2

A climb that may not last much longer. In the latest reporting period the Forbes Index rose 0.2%, to a record level. But this stems from an update of only one component and a revision in one other item. Manufacturers' inventories show a 0.1% month-to-month rise, suggesting that stockpiles of goods are not becoming excessive. But the latest inventory figure stands 8.1% higher than it did 12 months ago. Meanwhile, the revised figure for manufacturers' new orders is 0.2% lower than a month earlier and only 1.2% higher than 12 months ago. On balance, it seems that the Forbes Index will pursue at best a sawtooth course for the months ahead. Meanwhile, the exuberant stock market—some indexes reached record highs in early June—anticipates even lower interest rates.

The Forbes Index Components

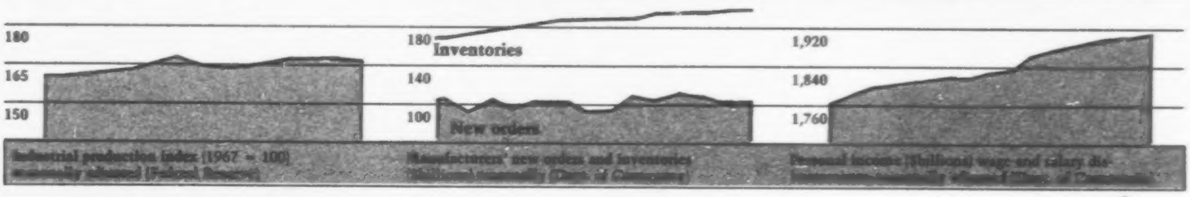
The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



Consumer price indexes (1967 = 100) all urban consumers, unadjusted (Dept. of Labor)

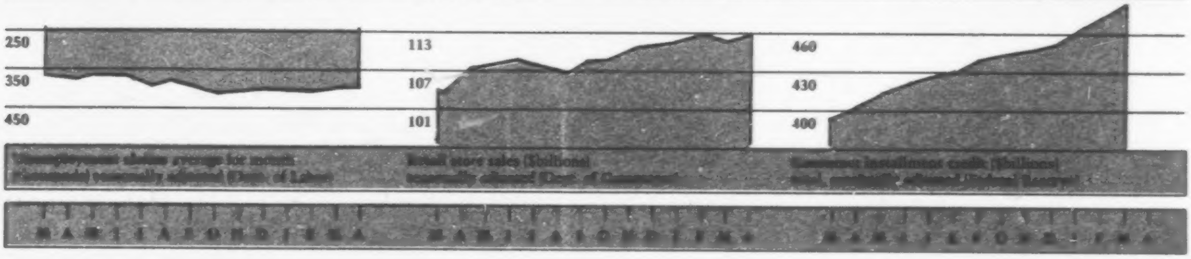
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)

Manufacturers' new orders and inventories ($billions) seasonally adjusted (Dept. of Commerce)

Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



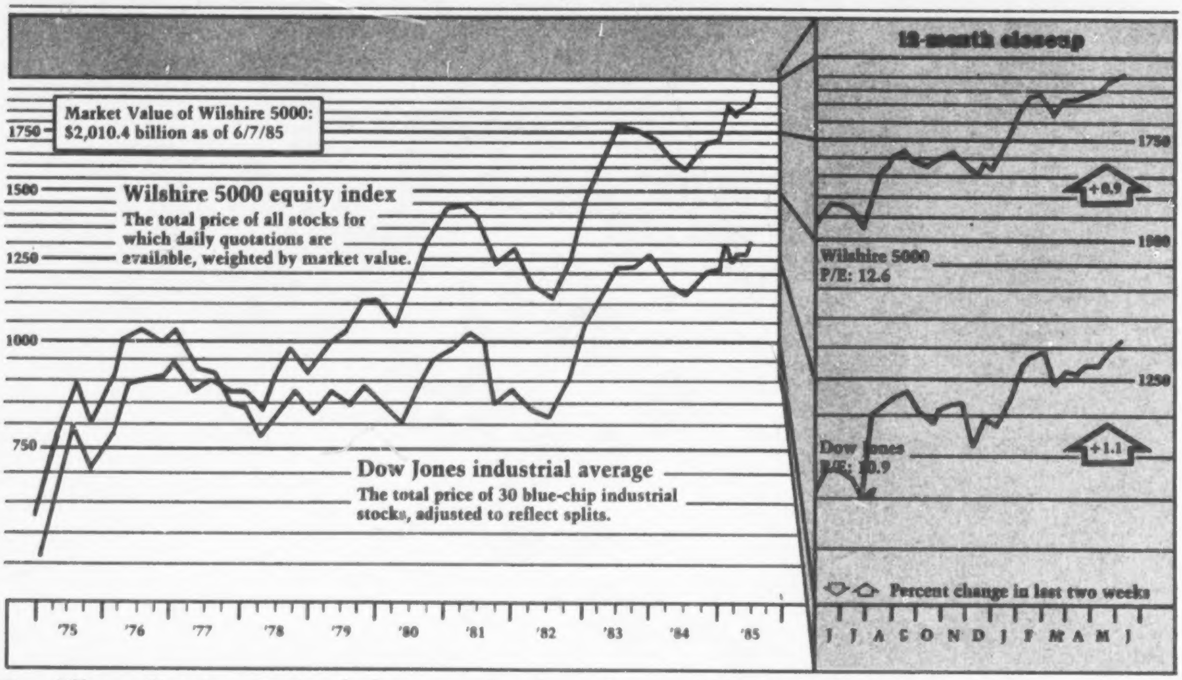
Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)

Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Two different directions. During the last ten trading days there were three sessions when the Dow industrials closed at new highs. The NYSE index, S&P's 500 and the Wilshire 5000 also hit peak levels during this period. Despite an 11-point decline in the final trading session, the Dow finished the stretch with a 1.1% gain, and the NYSE was up 1%. But secondary shares fell behind the pace set by Big Board issues. The Wilshire index, pulled down by Amex and Nasdaq stocks, rose only 0.9%. The Amex and Nasdaq declined 0.8% and 0.4%, respectively.

The Wilshire index has appreciated 23.1% during the last 52 weeks, Nasdaq-listed shares are up 21.1%, and Amex, the laggard of the lot, is up just 12%. But it's worth noting that Nasdaq shares are also some 11.5% below their alltime high. Until now investors have been emphasizing safety and quality. If there is to be another strong upward leg in this rally, however, the best opportunities may lie with secondary shares.

Close-up On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	2.9	3.1	3.3	3.1	0.0	1.2
in last 52 weeks	23.1	24.4	16.4	23.1	12.0	21.1

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	3.3	1.5	0.0	3.9	0.9	3.9	2.2	0.1	–0.5	2.5	3.8	–0.8
in last 52 weeks	27.8	15.5	17.0	35.6	10.1	34.7	32.3	19.7	11.8	34.5	34.3	2.4

[1] Based on sales.
[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

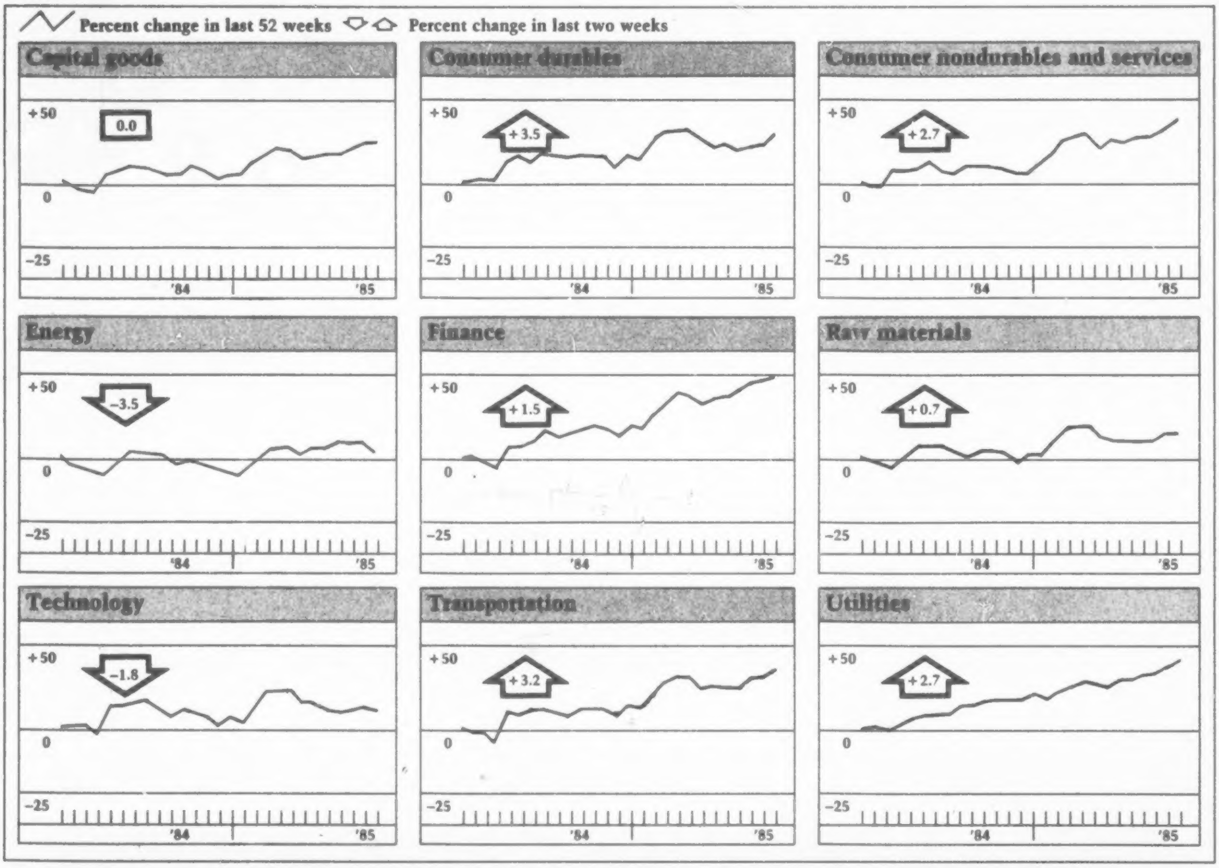
Note: All data for periods ending 6/7/85. Prepared by Wilshire Associates, Santa Monica, Calif.

Kenneth Alcorn

Where The Action Is

Utilities rise on cheaper money. In many a rally utilities take a backseat to their more glamorous counterparts. But falling interest rates have made utility shares quite resilient. Only consumer durables and transportation bettered the 2.7% rise of utilities. On a 52-week basis, the 35.8% gain of utility stocks is second only to the 46.2% rise for finance stocks.

Gulfstream Aerospace, buoyed by Chrysler's option to buy up to 20%, registered the best 2-week gain among stocks with market capitalizations over $500 million. Other aerospace issues—Boeing, Northrop and Lear Siegler—also made respectable advances. But weakness in computer and telecommunications shares brought the technology sector as a whole to a 1.8% loss.



What The Analysts Think

Don't overestimate the good news. Analysts made slight upward revisions in their 1985 earnings estimates for three Wilshire sectors—consumer durables and nondurables and finance—even though many economic indicators point to a weakening economy. The experts lowered their projections for six other groups.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.57	11.5
1985 estimates	4.19	9.8
1986 estimates	4.75	8.7

Rank based on change in estimate	Sector	Estimated 1985 EPS	P/E	% change in 1985 estimate in 2 weeks	in 4 weeks
1	Consumer nondurables	$2.56	12.7	0.65%	0.14%
2	Finance	3.27	10.1	0.29	0.80
3	Consumer durables	4.67	8.1	0.02	–1.31
4	Energy	3.76	8.3	–0.25	–0.63
5	Utilities	3.42	8.3	–0.34	–0.68
6	Capital goods	2.90	11.3	–0.38	–1.91
7	Transportation	2.94	9.8	–0.56	–1.76
8	Technology	2.80	11.8	–0.91	–2.[illegible]
9	Raw materials	2.23	11.3	–1.23	–4.37

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 6/7/85. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

JULY 15, 1985 THREE DOLLARS

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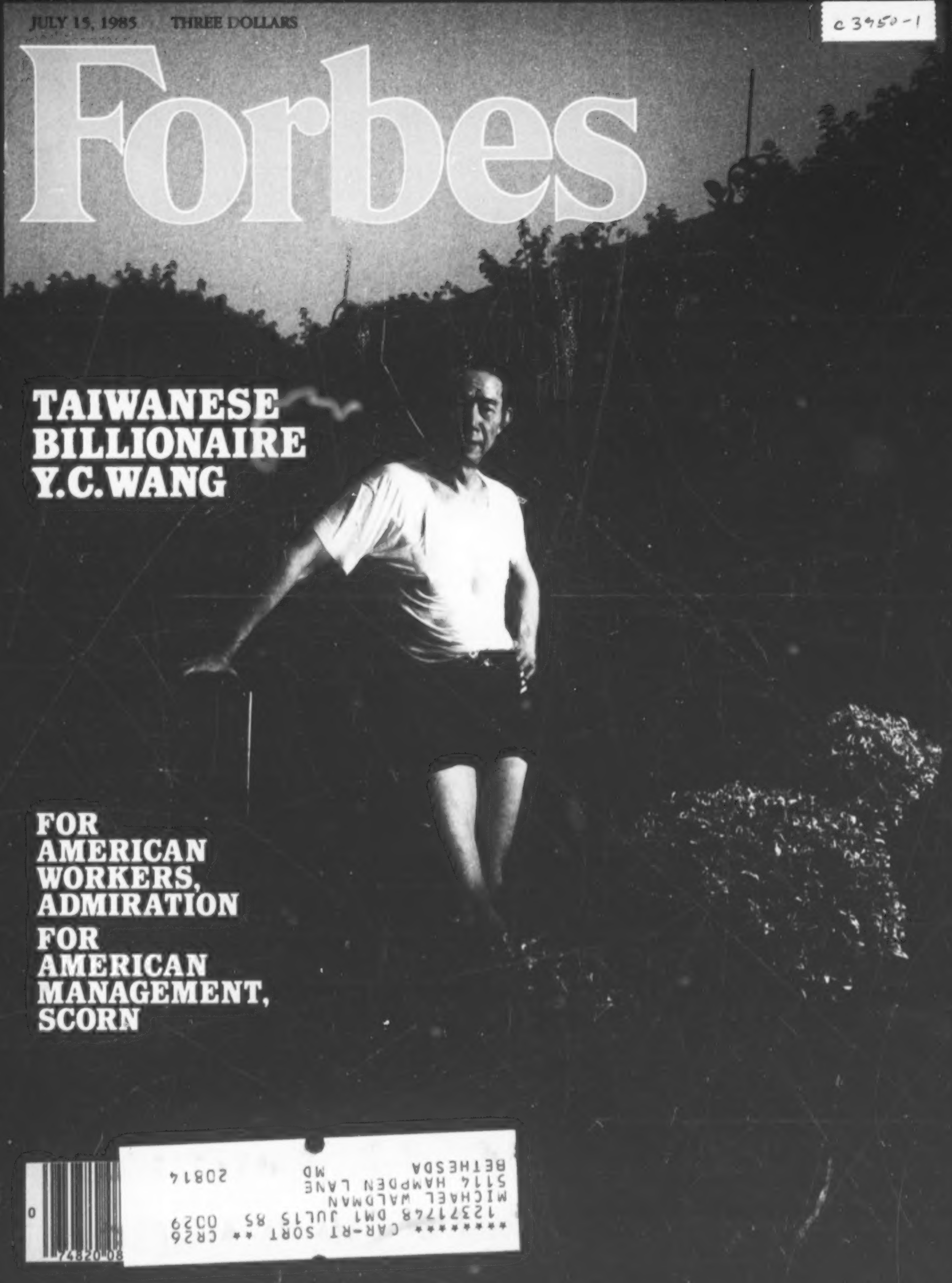

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As its country's flag carrier to the world, it had it so good for so long that deregulation, Japanese-style, comes as a bit of a shock.

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Once upon a time Sidney Dworkin, Bernard Marden and Isaac Perlmutter were the best of friends. Then they turned a fine relationship into a terrible marriage.

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"Cash," says Henry De Brunner Clarke Jr., "is what we have always felt great confidence in." Nothing wrong with that, except it's not the whole story. Not even the beginning of it.

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Why did he become a billionaire in a commodity chemical that Du Pont can't make money in and B.F. Goodrich just took a bath in? Because he's a capitalist cut from an older mode.

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What can be done with all those corner lots where gas stations used to be? Here's California's answer.

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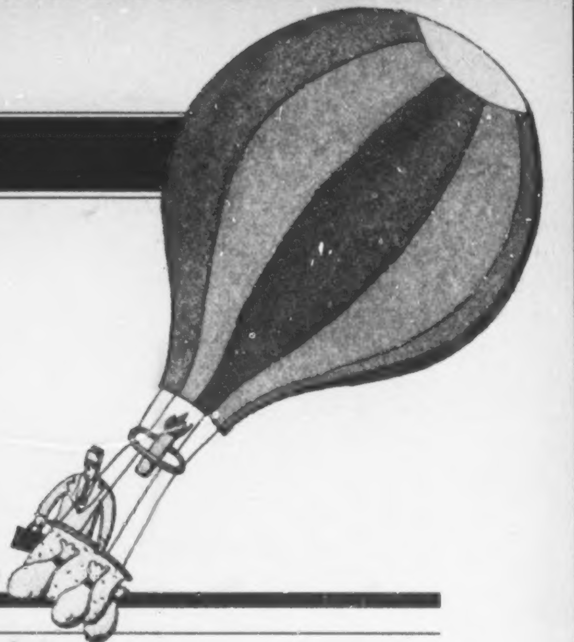

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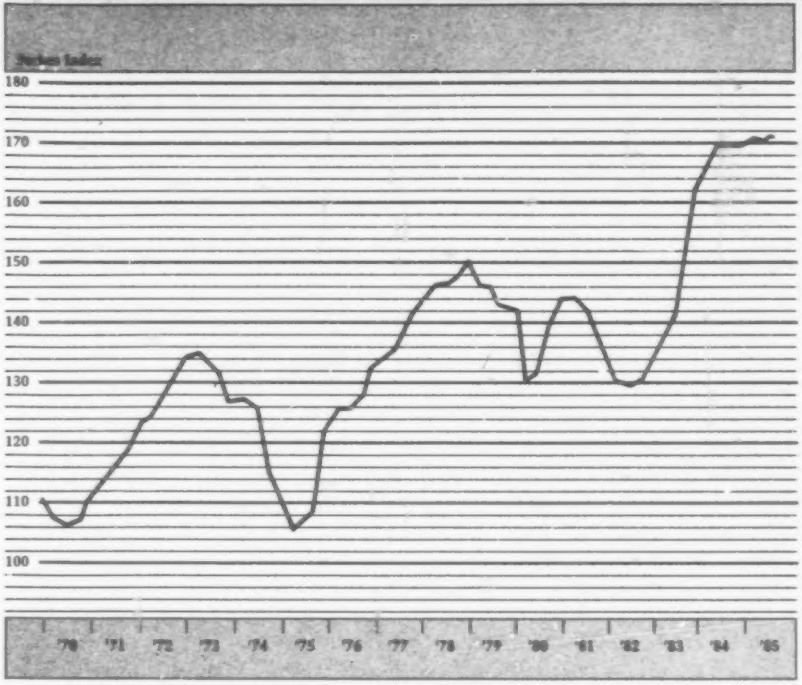
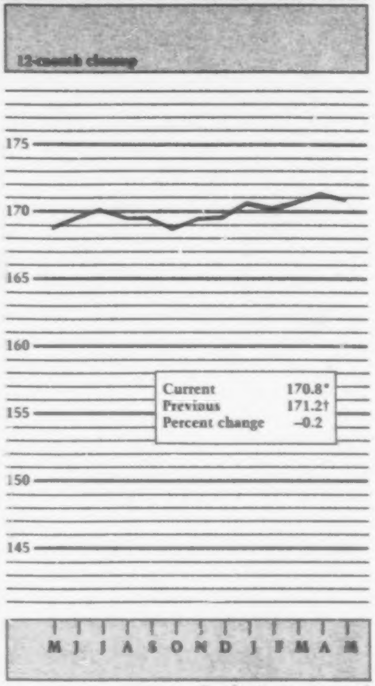
The Forbes Index





*preliminary †revised

What about housing? New housing starts in May fell 3.9% from the previous month, helping push the Forbes Index down 0.2%. But 1985 could still be a decent year for housing. April, 21% higher than March, was an unusually strong month, so the May figures are really not that bad. And with interest rates declining, patient individuals may be waiting for even cheaper mortgages. One problem, however, is consumers' nonmortgage debt. Consumer installment credit rose 0.6%, to a new record level.

May retail sales fell 0.8%, and industrial production dropped 0.1%. New unemployment claims are 11.3% greater than they were one year ago. The Consumer Price Index is up 0.4% over the previous month, while the cost of services rose 0.7%, or 8.6% on an annualized basis.

The Forbes Index Components

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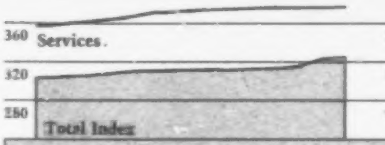
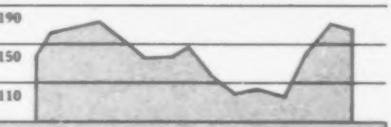
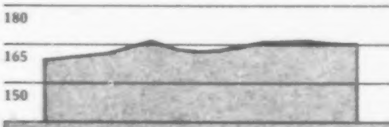


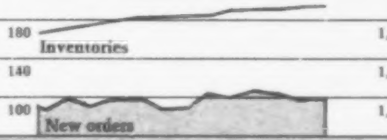
Consumer price indexes (1967 = 100) all urban consumers, unadjusted (Dept. of Labor)



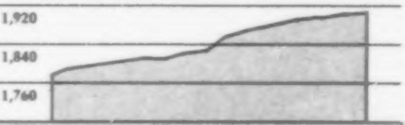
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



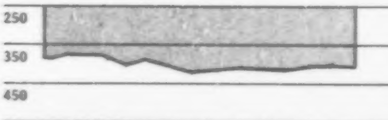
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



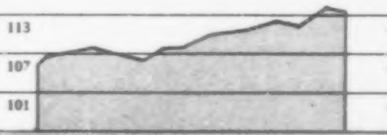
Manufacturers' new orders and inventories ($billions) seasonally (Dept. of Commerce)



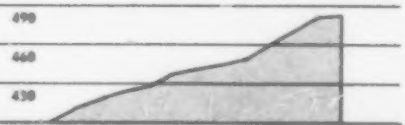
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



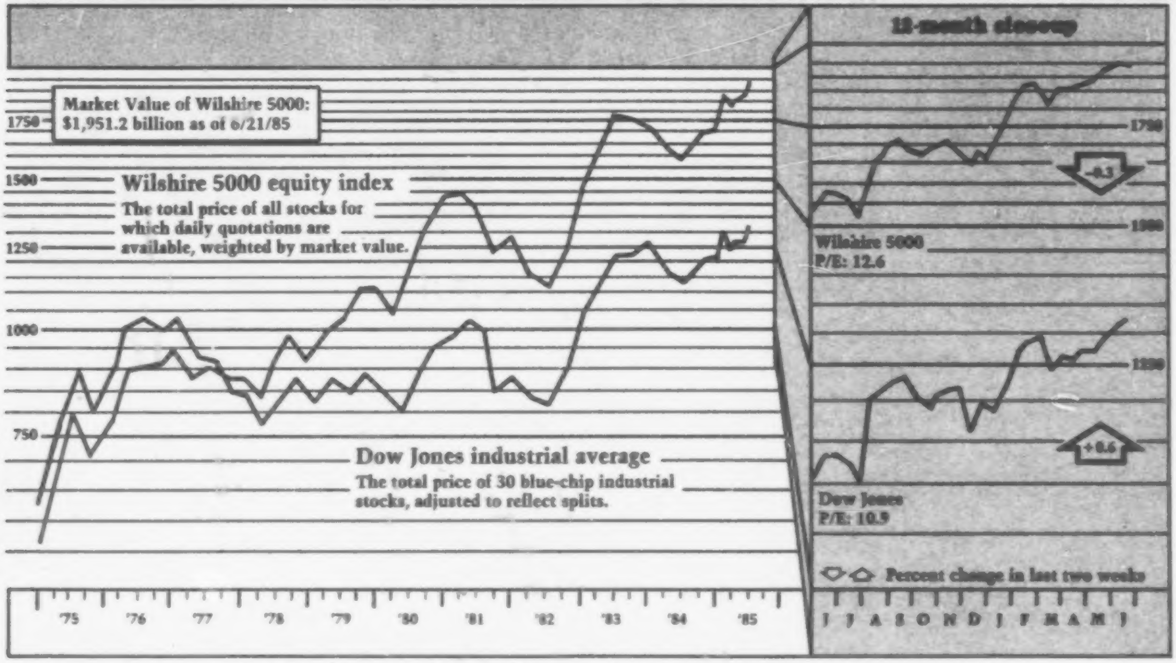
Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



How expensive are stocks? The Wilshire index is selling at 12.6 times latest 12-month earnings. The last time it had such a hefty price tag was February 1984, when the Dow was about a dozen points shy of the 1300 barrier. So it has taken a year and a half for market values to get back to where they were. Compare August of 1982, when the Wilshire was priced at only 7.1 times earnings. With interest rates lower now—T bills yield 7% to 8%—a case could be made that stocks are not overpriced. But at a 12.6 P/E, the earnings yield, the inverse of the P/E, is not quite 8%. Is that adequate reward for investment risk?

Thanks to an enormous last-minute burst on June 21, the Dow industrials finished with a 0.6% two-week gain. This puts the Dow only a few points shy of its recent alltime high. The only other winner during this stretch was the Forbes Sales 500, which rose 0.5%. Meanwhile, the NYSE fell 0.1%, the Amex 1.1%, the Nasdaq 0.8% and the Wilshire index 0.3%.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	0.6	1.5	1.7	0.9	–1.9	–1.2
in last 52 weeks	23.1	25.2	17.1	23.3	11.7	19.7

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 8	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	1.0	–1.2	–2.1	2.4	–2.7	1.9	1.8	–3.2	–1.9	2.2	1.7	–3.0
in last 52 weeks	27.8	14.6	15.8	37.1	8.4	30.2	34.3	29.1	11.9	30.2	33.9	1.3

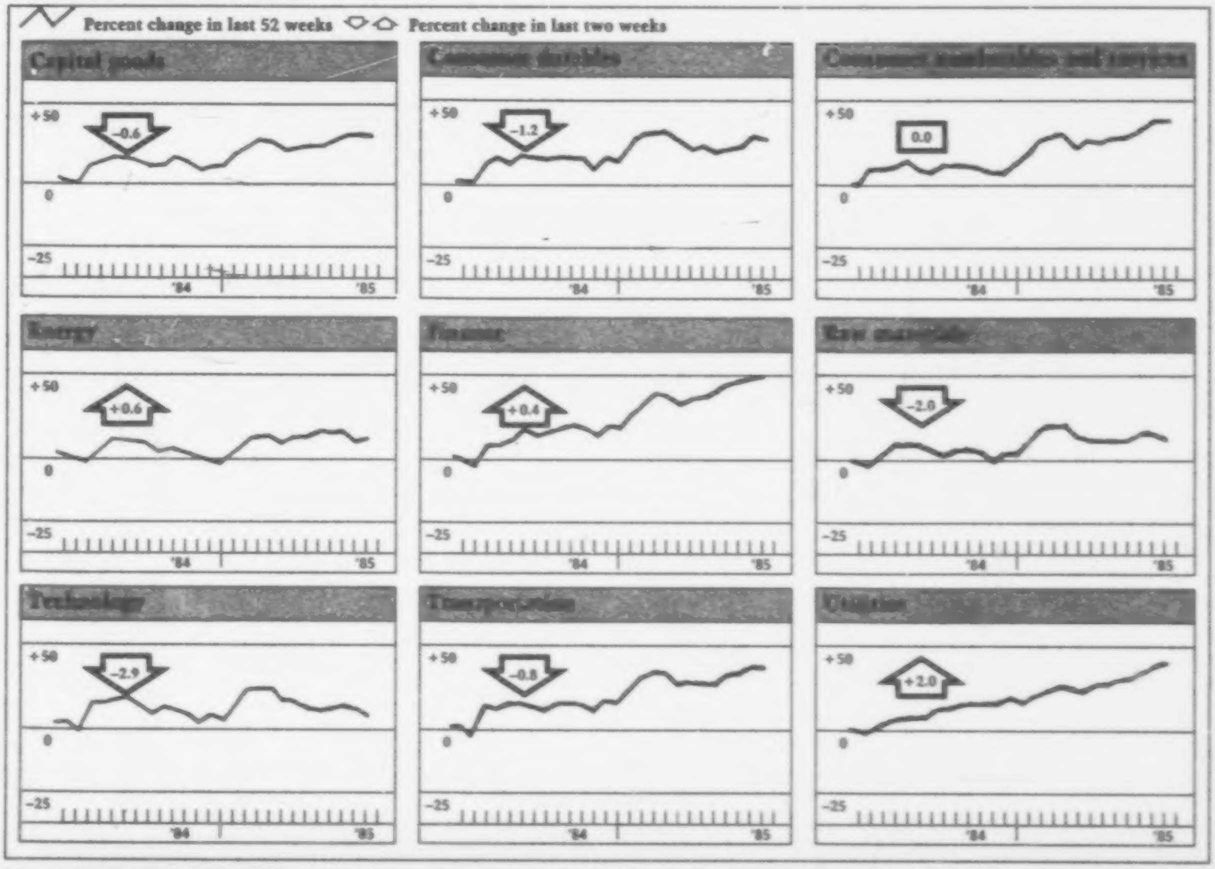
[1] Based on sales.
[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 6/21/85. Prepared by Wilshire Associates, Santa Monica, Calif.

Kenneth Alcorn

Where The Action Is

Widows and orphans clean up. The utilities sector registered another strong performance, with a two-week gain of 2%, enough to lead all other groups. What's so appealing about utilities? One, lower interest rates make utility dividends more attractive. Two, lower inflation reduces the damage from regulators' delays in acting on rate cases. Three, slackening in construction programs makes dividend increases more likely. To top it off, this time around the market also responded to the chance that better days were ahead for two troubled utilities, Cincinnati Gas & Electric and Long Island Lighting. These were among the top-performing stocks in this sector. On a 52-week basis the utilities are up 37.7%, which puts this group's rise second to the 46.1% gain for finance shares.



What The Analysts Think

Is the worst behind us? Analysts have been doing a lot of estimate-cutting in the past six months. They were catching up with the reality of a nearly flat economy in the first quarter. Now, Wall Street's seers have quietly raised some forecasts. Estimates for the finance and consumer nondurables sectors rose over the last two weeks.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.51	11.5
1985 estimates	4.09	9.9
1986 estimates	4.66	8.7

Rank based on change in estimate	Sector	Estimated 1985 EPS	P/E	% change in 1985 estimate in 2 weeks	in 4 weeks
1	Finance	$3.31	10.1	0.25%	0.52%
2	Consumer nondurables	2.47	12.9	0.06	0.73
3	Utilities	3.40	8.5	−0.07	−0.41
4	Consumer durables	4.71	7.8	−0.37	−0.35
5	Transportation	2.90	9.8	−0.41	−0.96
6	Energy	3.01	8.2	−0.48	−0.75
7	Technology	2.74	11.6	−0.54	−1.47
8	Capital goods	2.81	11.0	−0.56	−1.13
9	Raw materials	2.17	11.6	−2.89	−4.00

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 6/21/85. Prepared by Wilshire Associates, Santa Monica, Calif., IBES, a service of Lynch, Jones & Ryan, New York.

JULY 29, 1985 THREE DOLLARS

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Forbes

SPECIAL REPORT ON
INTERNATIONAL BUSINESS

THE WORLD SHIPPING DISASTER

MORE GRIEF FOR THE BANKS

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Forbes

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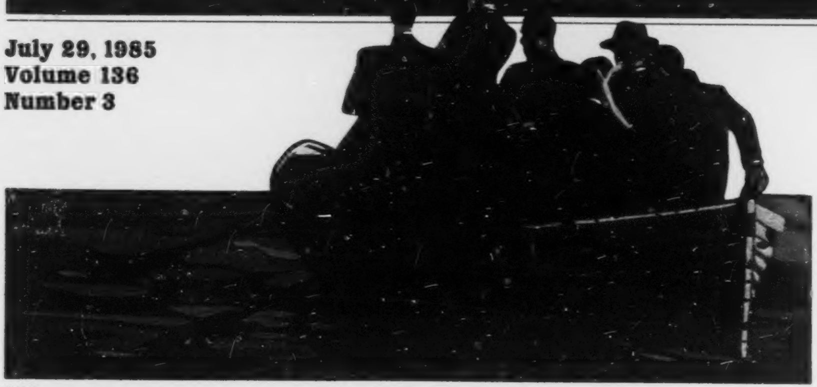
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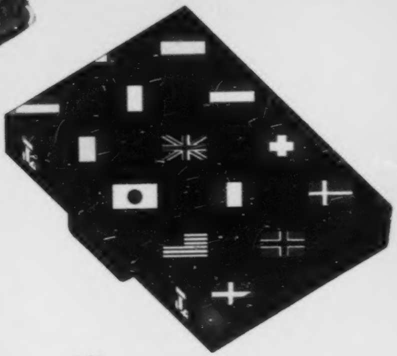

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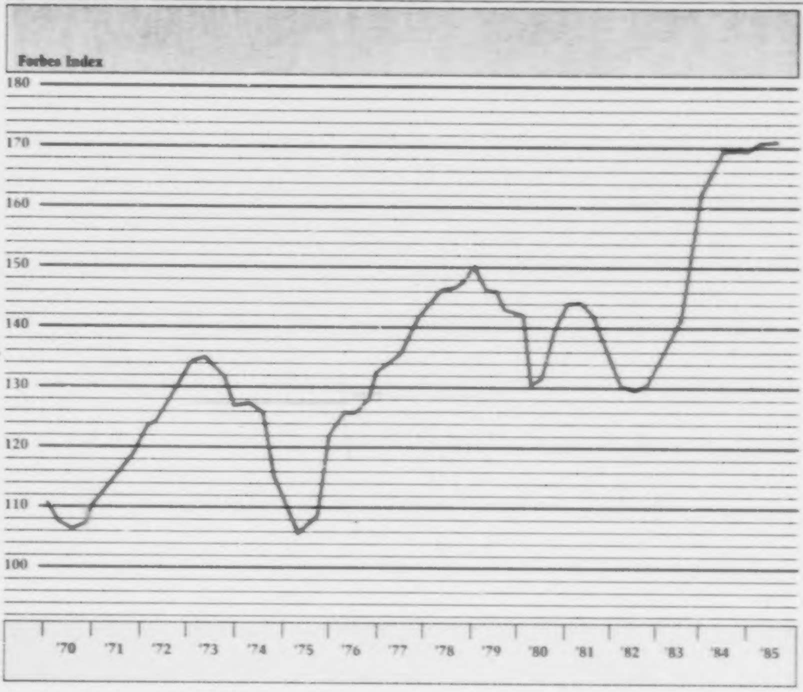
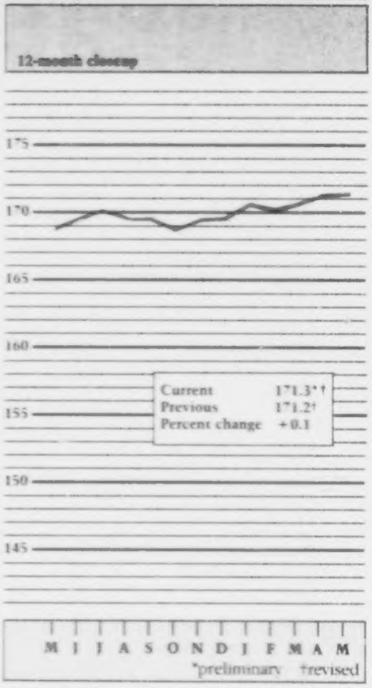
Cover illustration by Nancy Stahl

The Forbes Index



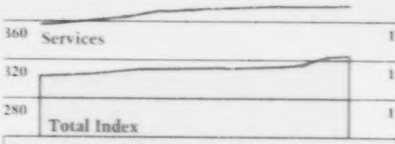


Taking inventory of inventories. The Forbes Index is up a very modest 0.1%. The increase is entirely due to the fact that inventories fell 0.5% but manufacturers' new orders rose 3.2%—the best month-to-month gain since January. The fact that new orders outpaced inventories is heartening. Manufacturers' new orders have charted an uneven but generally upward course in the current recovery, with inventory levels roughly keeping pace. The new blip in that ratio suggests that the spread of sophisticated computerized inventory control systems is contributing to more efficient management of supplies, minimizing swings in inventory levels. This smoothing out of some of the peaks and troughs in inventory levels is helping to sustain the current economic recovery.

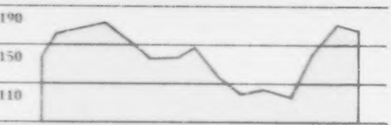
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

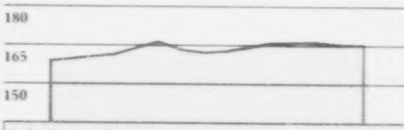
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



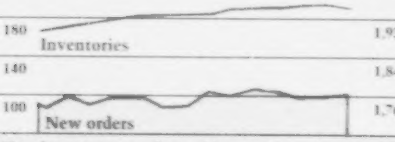
Consumer price indexes (1967 = 100) all urban consumers, unadjusted (Dept. of Labor)



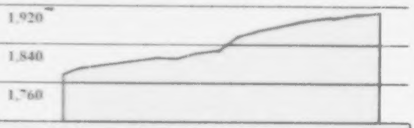
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



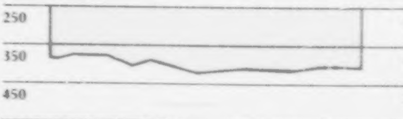
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



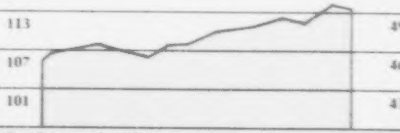
Manufacturers' new orders and inventories ($billions) seasonally (Dept. of Commerce)



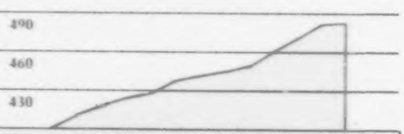
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

A M J J A S O N D J F M A M

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gy, high-added-value business, regardless of losses. There is also what the Europeans describe as a fairness issue: Since Western Europe accounts for a quarter of world air travel, it should account for a quarter of all airliners built. Building planes on such logic affects more than European taxpayers. The stakes are serious for Boeing, and life-or-death for the civil aviation operations of McDonnell Douglas.

If Airbus were a straight nationalized industry, the squeeze on European public-sector spending would kill the consortium. But it shelters behind a peculiar legal framework and plays on its role as the European Economic Community's single piece of nonmilitary, industrial cooperation that is technically successful. Which it is. But at quite a cost. ■

Ah, deregulation. Anybody can be a bank, anybody can be a telephone company. Which is why the nation's 1,400 phone companies face some big writeoffs.

The $26 billion solution

By Howard Gold

Ever hear the term "reserve deficiency"? It's an accounting euphemism that the nation's 1,400 local telephone companies are using quite a bit these days. What it means is a $26 billion-plus time bomb on their balance sheets—the amount by which they have underdepreciated old equipment that they will have to replace to keep from becoming obsolete in the age of deregulation.

That $26 billion represents over 10% of the operating companies' $195.8 billion physical plant—telephone poles, miles of copper wire and giant switching stations, all built in the days when telecommunications was dominated by a monopoly jointly overseen by the Bell system and the government. Indeed, the 22 Bell operating companies account for over $20 billion of the total shortfall.

In the monopoly days, Bell executives sat down with state and federal regulators, estimated how long a new piece of equipment would last, and stretched the depreciation accordingly—sometimes for longer than 40 years. Independent companies followed the pattern. That cozy arrangement suited everybody's purposes: The companies could count on a steady revenue stream, shareholders got a stable return, and consumers benefited from low telephone rates.

Result: As Cornell's Alfred E. Kahn, an economist and the guru of deregulation in the Carter Administration, puts it: "Depreciation lives were set under a monopoly that was in a position to control the rate of innovation." No matter how long the costs were stretched out, they were certain to be recovered. And if the geniuses at Bell Labs came up with something new—improved fiber optics, say—it was unlikely that billions of dollars' worth of copper wire would be pulled out until it was fully depreciated.

No more. With deregulation, anybody with the wherewithal can put in a state-of-the-art telephone system vastly more efficient and cheaper than old-fashioned copper wires and mechanical switching. Some of the telephone companies' biggest customers are doing just that—giant corporations like Merrill Lynch, Citicorp and American Express, and others across the country. For long distance, their in-house telephone networks deal directly with AT&T, MCI, Alltel or GTE's Sprint. Thus they save money two ways. First, on the efficiency of their new systems. Second, because they bypass local companies, they don't pay the long-distance "access charges" that phone companies must pass on to all their customers in order to subsidize basic phone service for the masses at low cost (Forbes, *Feb. 25*).

All in all, says a study by the U.S. Telephone Association, local operating companies could lose $8.4 billion in annual revenues by 1995 because big customers are bypassing them. That's why the phone companies talk about a three-to-seven-year "window of opportunity" to upgrade their services and to get their big-customer rates down. "After that, our competitors will be putting in so much new technology that it'll be impossible to pick up the deficiency," says A. Noel Doherty, a New York Telephone Co. economist. "We're losing large customers now," he says. "Soon we'll start losing smaller customers" who set up shared systems.

So the local companies are spending big—an estimated $18 billion this year on capital construction—in a rush to install digital switching and fiber optics before their big customers desert them for good. Trouble is, they still have that $26 billion in old plant on their books that won't be depreciated for years.

The Federal Communications Commission woke up to the problem in 1980 and came up with new rate formulas to speed up depreciation and amortize reserve deficiencies. In 1983 local phone companies began asking state regulators to use the FCC formulas—and all hell broke loose.

Why should we let the FCC dictate how we regulate local phone companies? said the state regulators. Some flatly refused to adopt the formulas and were haled into federal court by the phone companies. Both Maine and Louisiana regulators went even further: When the courts ordered them to follow the FCC formulas, they slashed the phone companies' allowed rate of return. "The FCC is not competent to set intrastate depreciation rates and should not have the authority to do it," says Peter Bradford, chairman of the Maine Public Utilities Commission. "It's war," says Genevieve Morelli, a lawyer with the National Association of Regulatory Utility Commissioners.

The war will go on until the U.S. Supreme Court rules on the FCC formulas, probably early in 1986. But even if the phone companies get rate relief, it won't solve the problem unless the hikes are imposed on the right customers. High rates, after all, are the reason big customers are leaving. For that market, the phone companies have to keep the rates down.

Who is left? You guessed it. "Basic users" represent the only market where demand isn't responsive to price (unless you're willing to give up a telephone in your house). But regulators would do about anything to keep from socking it to the little guy. So their sympathy for the companies' plight is limited. While most states are gradually phasing in higher depreciation rates *(see table)*, few states approach 10% composite annual depreciation, a rate that could begin to redress the capital recovery problem.

What will happen? Unless somebody comes up with a better solution, which isn't likely, the telephone companies are going to have to write off some of that $26 billion, probably a lot of it. Alfred Kahn compares their plight to that of a utility with an abandoned nuclear plant. "You just have to eat some of that deficiency," he says. "You have to write down the assets to something more closely approximating what you can hope to get back in the future, write down your equity on the other side of the balance sheet, and take your loss."

Deregulation strikes again. ■

The shortfall

Depreciation reserve is the percentage of their plant that the phone companies have depreciated as of Dec. 31, 1984. The industry generally agrees it should be at least 40%. But, as the table below shows, few companies have done better than 25%-30%. The difference is the reserve deficiency, which works out to an estimated $21.8 billion for Bell companies and $4 billion for the three largest independents alone. Composite depreciation is what state regulators currently allow. The states have raised it some, but they are reluctant to grant further substantial relief because that would mean sharp rate increases on basic telephone service.

Company	Depreciation reserve	Annual composite depreciation rate	Estimated reserve deficiency ($billion)	Next scheduled adjustment
Bell Atlantic[1]	24.4%	6.2%	$3.0	
Bell of Pennsylvania (Pa, Del)	NA	6.3	NA	1988
New Jersey Bell	NA	6.1	NA	1988
Chesapeake & Potomac (Md, Va, WVa, DC)	NA	6.1	NA	1987
BellSouth	20.4	6.6		
South Central Bell	20.8	6.4	2.1	1987
Southern Bell	20.1	6.8	2.7	1986
Nynex				
New York Telephone	26.0	6.1	2.5	1986
New England Telephone	28.0	6.1	0.9	1987
American Information Technologies[2]	26.3	7.3	2.9	
Illinois Bell	29.4	8.3	NA	1987
Indiana Bell	25.0	5.9	NA	1987
Michigan Bell	26.2	6.9	NA	1986
Ohio Bell	23.8	7.0	NA	1986
Wisconsin Telephone	23.2	7.8	NA	1986
Pacific Telesis				
Nevada Bell	18.7	7.5	0.038	1985
Pacific Bell	18.0	6.4	2.2	1986
Southwestern Bell	19.5	6.4	2.5	1986
US West	22.9	6.3	3.0[3]	
Mountain Bell	21.3	5.9	NA	1985
Northwestern Bell	25.5	6.9	NA	1986
Pacific Northwest Bell	22.7	6.4	NA	1985
Total Bell operating companies			21.8[3]	
Continental Telephone	26.0	7.0	0.5[3]	varies widely
General Telephone (GTE)	27.1	6.9	3.0[3]	varies widely
United Telephone	31.8	8.3	0.5[3]	varies widely
Three largest independents			4.0[3]	

All figures calculated on a financial reporting basis as of Dec. 31, 1984.

[1] Most Bell Atlantic companies' depreciation rates were raised roughly 20% on an annualized basis in 1985. [2] Ameritech's Illinois and Indiana companies' composite rates were raised to 9.7% and 7.4%, respectively, in early 1985. [3] Forbes estimates. All other figures provided by the companies. NA: Not available.

Scrap the deductibility of state and local taxes, and you turn the economy upside down at some of its richest spots. The outcome is as unpredictable as the deregulation of Ma Bell or the airlines.

States' fights

By Laura Saunders

If it survives, the abolition of state and local tax deductibility, so vital to Reagan's tax reform plan, will make the disruptions caused by the deregulation of the telecommunications and airline industries look like a Sunday school picnic. As states and cities struggle to forge a new tax balance, major migrations could well result. Certainly there won't be a better time to lure corporate headquarters from Manhattan.

True, according to the Advisory Commission on Intergovernmental Relations (ACIR), a federal agency that monitors state finances, dropping the state and local deductions for tax reform would raise taxes per capita only for citizens in 16 states *(see map)*. But those include some of the wealthiest and most populous in the union: California, New York, Michigan, Wisconsin, Massachusetts.

Right now, the benefits of deductibility are highly skewed. While New Yorkers save a pretty good chunk of money from deductibility—$263 per capita—for the average Tennesseean, it's a mere $33. And in a highly "progressive" tax scheme like New York's, the richer the taxpayer, the greater the benefit.

Look at the table, which shows how the importance of revenue sources varies among the 50 states. Dropping the deduction, of course, would make those differentials painfully evident. That is bound to cause changes.

Most experts agree that highly progressive state income taxes are the most likely to be cut. People see the benefits of property taxes in schools and libraries, and most are levied locally. Sales taxes apply to everybody. And personal income taxes are at least as important as low corporate rates in attracting business.

So it wouldn't be surprising if Delaware and Oregon scaled back their high income taxes and added a sales tax. Or if the District of Columbia and New York looked more to "use" taxes such as museum fees, garbage collection fees and bridge tolls in the future.

Curiously, several states, including Oklahoma, Montana and Colorado, may reap a windfall if deductibility is dropped. Why? Because federal adjusted income numbers are the starting points for their own individual income tax. The broadened federal base should yield higher revenues if they leave rates unchanged.

Will it actually happen? Look at it this way: If state and local tax deductibility isn't dropped, the Reagan tax proposals simply can't work. Dumping the deduction would bring Uncle Sam between $30 billion and $40 billion a year in added revenue. That's at least $8 billion more than repealing the corporate investment tax credit, and $14 billion more than ending accelerated depreciation, the other two cornerstones of tax reform.

When Forbes predicted nearly two years ago *(Oct. 24, 1983)* that the deduction for state and local taxes was in peril, everyone told us it was a farfetched notion. After all, it had been in the code since 1913. It was seemingly sacrosanct.

The size of the federal deficit and the chaotic mishmash that passes for tax policy now make it clear that nothing is sacrosanct. ■

The pain index

What will it feel like where you live if state and local tax deductibility is scrapped? To see how your state compares with others, check Forbes' "pain index." The percentage figures estimate how much of the total personal income in each state goes to pay state and local individual income, property and sales taxes.

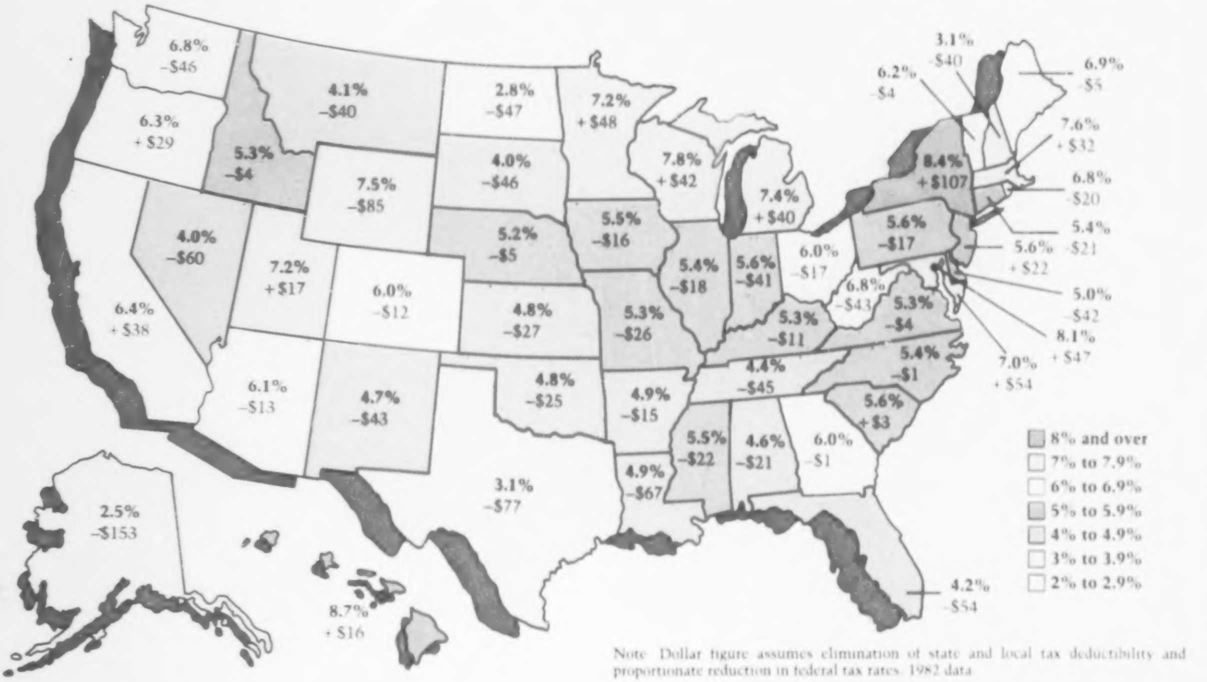
If Reagan's tax reform goes through, the repeal of deductibility will create winners as well as losers. The dollar figures on the map estimate how taxes per capita could rise or fall in each state. New Yorkers could be the biggest losers, forking over an extra $107 per capita, while Alaskans could pocket an extra $153 per capita.

What could change

You could always pick up stakes and move to Alaska. But you'd miss all the action if deductibility is repealed. Since each state has a unique—not to say Byzantine—tax system, their options for shifting the tax burdens vary widely.

This table gives the percentage of general revenues contributed by several taxes in each state, along with the highest marginal income tax rate in each. The states gather the rest of their revenue from corporate tax (never more than 5%), interest, fees and, of course, federal aid from Uncle Sam. The states are grouped by region.

The variations can be surprising. Delaware and Maryland, for example, each net about twice as much as the national average from income taxes. Connecticut has no tax on earned income. It pulls in 30% of its revenues from property taxes. Alaska, rich in oil, has virtually no individual taxes.


6.8%
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4.1%
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+$48
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3.1%
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4.9%
-$67
2.5%
-$153
8.7%
+$16
4.2%
-$54

Note: Dollar figure assumes elimination of state and local tax deductibility and proportionate reduction in federal tax rates. 1982 data

	Highest marginal income tax rate	—% of tax revenues from*—			
		indiv income	property	sales	other
U.S. average	NA	11%	18.3%	14.3%	12.5%
Connecticut	no tax on earned income	3	29	17	14
Maine	10% over $25,000	11	23	13	11
Massachusetts	5% flat rate	19	23	8	8
New Hampshire	no tax on earned income	1	37	0	15
Rhode Island	23.5% of fed tax owed	12	23	10	9
Vermont	25.6% of fed tax owed	11	22	6	14
Delaware	10.7% above $50,000	22	8	0	21
Maryland	5% above $3,000	22	16	9	12
New Jersey	3.5% above $50,000	9	28	10	14
New York	13.5% above $23,000	19	21	12	8
Pennsylvania	2.35% flat rate	14	16	10	16
Washington, D.C.	11% above $25,000	13	14	10	9
Alabama	5% above $3,000	9	6	14	17
Arkansas	7% above $25,000	11	11	14	14
Florida	no tax	0	20	19	17
Georgia	6% above $7,000	12	14	13	9
Kentucky	6% above $8,000	15	10	12	17
Louisiana	6% above $50,000	3	7	19	19
Mississippi	5% above $10,000	5	10	18	13
North Carolina	7% above $10,000	16	13	11	14
South Carolina	7% above $12,300 + $400	14	13	13	12
Tennessee	no tax on earned income	1	13	21	14
Virginia	5.75% above $12,000	16	18	10	16
West Virginia	13% above $200,000	9	10	22	13

	Highest marginal income tax rate	—% of tax revenues from*—			
		indiv income	property	sales	other
Illinois	3% flat rate	10%	24%	15%	12%
Indiana	3% flat rate	10	19	17	8
Michigan	5.35% flat rate	13	24	9	7
Ohio	9.5% above $100,000	15	19	11	12
Wisconsin	10% above $51,600	16	23	11	9
Iowa	13% above $76,725	13	24	10	11
Kansas	9% above $25,000	11	22	11	9
Minnesota	9.9% above $30,800	19	16	9	11
Missouri	6% above $9,000	13	15	17	12
Nebraska	19% of fed tax owed	9	23	12	10
North Dakota	9% above $50,000	2	14	9	20
South Dakota	no tax	0	21	16	13
Arizona	8% above $6,366	9	17	19	10
New Mexico	7.8% above $100,000	0	5	15	17
Oklahoma	6% above $7,500	11	10	13	25
Texas	no tax	0	21	15	22
Colorado	8% above $14,150	10	20	17	8
Idaho	7.5% above $5,000	14	15	10	13
Montana	11% above $43,900	8	23	0	16
Utah	7.75% above $3,750	11	15	15	8
Wyoming	no tax	0	22	10	21
California	11% above $26,000	13	15	17	9
Nevada	no tax	0	11	19	26
Oregon	10% over $5,000	19	22	0	10
Washington	no tax	0	17	28	14
Alaska	no tax	0	7	1	29
Hawaii	11% above $30,800	14	11	24	10

*State and local general revenues, 1983. NA: Not applicable.

Source: Advisory Commission on Intergovernmental Relations; U.S. Census

THE FORBES FOREIGN RANKINGS

The scale of global business today

Most people who quote Rudyard Kipling on the subject of East and West and the twain never meeting choose to forget what the English poet went on to say in that ballad: "But there is neither East nor

West, Border, nor Breed, nor Birth,
When two strong men stand face to
face, though they come from the ends
of the earth!"

So it is in business. Today Peoria meets Osaka, and Stuttgart, too, in the global marketplace. And the U.S. investor who concentrates only on the home teams is missing a large part of the game. That is why on the 27 pages that follow **FORBES** presents a composite picture of international business today.

We begin (on page 162) with a list of the 500 largest foreign companies—The Forbes Foreign 500—a group that, with total revenues of $3.1 trillion, accounts for a significant portion of world business.

Then, on page 180, we break out of the roster of the biggest, a tally of the 100 largest foreign investors in the U.S. economy and what they have invested in. We follow that wit a list, beginning on page 186, of the 100 largest U.S. multinational companies, the logtime U.S. players in the global business game.

And finally, beginning on page 190, we list 100 foreign stocks that are widely traded in the U.S. Something, that is, for buyers, sellers and investors in a business world tht would not have astonished Kipling.

The 500 largest foreign companies

The 500 largest foreign companies—The Forbes Foreign 500—are listed below and on succeeding pages. The Forbes Foreign 500 have combined sales of $3.1 trillion. For comparison, The Forbes Sales 500 have total revenues of $2.6 trillion. Size isn't everything, but these numbers add up to an impressive total. Put together, the revenues of these 1,000 companies amount to some $5.7 trillion, a figure that is about 70% of the estimated gross national product of the noncommunist industrial world.

The payroll of these companies is enormous as well. The Foreign 500 employ more than 23.8 million people, The Forbes 500 19.7 million, for a total of 43.5 million workers.

The 500 foreign companies, indexed by country on pages 178-79, call 33 nations home. Japan leads with 137 entries, while Austria, China, India, Iran, Kuwait, Netherlands Antilles, New Zealand, Panama, Portugal, Venezuela and Zambia have only one entry each. The largest percentage of revenues comes from Japan, which has $1 trillion, or 33.6%. Second place goes to the U.K., with revenues of $386 billion, while Germany places third with sales of $373 billion.

With combined revenues of more than $480 billion, energy is the biggest industry group in the Foreign 500, followed by trading, with $433 billion in revenues. Third place belongs to banking, with revenues of $409 billion.

Royal Dutch/Shell Group, which recently acquired the remaining 31% of its American subsidiary Shell Oil, stays well entrenched in first place, with revenues of nearly $85 billion. Mitsui & Co., the Japanese trading company that deals in everything from iron and steel to textiles and food, is in second place, with sales of $68 billion. Belgium-based Credit Communal de Belgique, a bank, is the smallest company to qualify for a Foreign 500 ranking, but its revenues are more than $2 billion a year.

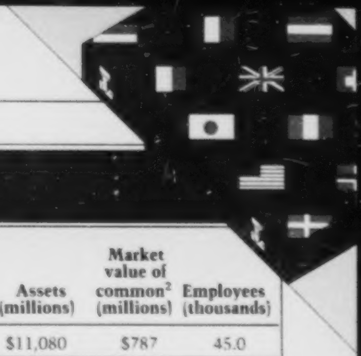
Of the top 100 companies, 28 are Japanese, compared with 27 last year. Japan also leads among the top 100 in companies that have risen in rank by ten positions or more, with 4 firms. The biggest gainer within the top fifth of the list was Korea's Samsung Group, which rose from 99th to 65th. Sweden's Volvo Group registered the greatest decline, from 44th to 63rd.

Ten new companies moved into the top 100. Among them are such well-known firms as Daewoo Group, NEC, Ciba-Geigy Group, Sumitomo Bank, Sumitomo Life Insurance, and Mitsubishi Electric. Meanwhile, the British National Coal Board, Deutsche Bank Group and Saint-Gobain, a French manufacturer of building products, all slipped out of the top 100.

Rank	Company	Corporate headquarters	Industry	Fiscal year-end	Revenue[1] (millions)	Net income (millions)	Assets (millions)	Market value of common[2] (millions)	Employees (thousands)
1	**Royal Dutch/Shell Group**	Netherlands/UK	energy	Dec	$84,912	$4,874	$68,981	$23,967[3]	149.0
2	**Mitsui & Co Ltd**	Japan	trading	Mar	68,464	37	25,093	1,342	11.9
3	**Mitsubishi Corp**	Japan	trading	Mar	66,919	113	25,173	3,102	14.0
4	**C Itoh & Co Ltd**	Japan	trading	Mar	56,967	19	20,051	1,114	10.0
5	**Marubeni Corp**	Japan	trading	Mar	50,859	30	19,913	1,116	10.4
6	**British Petroleum Co Plc**	UK	energy	Dec	50,690	1,475	39,568	10,278	130.1
7	**Sumitomo Corp**	Japan	trading	Mar	49,852	117	12,039	1,657	11.7
8	**Nissho Iwai Corp**	Japan	trading	Mar	35,133	23	11,777	587	7.6
9	**ENI-Ente Nazionale Idrocarburi**	Italy	energy	Dec	25,810	–50	23,988	none[4]	130.0
10	**Toyota Motor Corp**	Japan	automotive	June	25,214	1,257	15,521	13,262	59.5[6]
11	**IRI Group**	Italy	multicompany	Dec	23,365	–1,277	50,779[5]	none[4]	550.0
12	**Pemex-Petroleos Mexicanos**	Mexico	energy	Dec	22,225	5,649	44,127	none[4]	142.9
13	**Unilever**	Netherlands/UK	consumer goods	Dec	20,815	613	11,271	5,364[3]	319.0
14	**Hitachi Ltd**	Japan	multicompany	Mar	20,530	860	20,094	9,610	164.9
15	**Elf Aquitaine Group**	France	energy	Dec	20,294	742	17,001	2,265	77.6
16	**Matsushita Electric Industrial Co**	Japan	consumer electronics	Nov	19,969	1,008	16,813	10,872	132.8
17	**Bank Hapoalim BM**	Israel	banking	Dec	19,562	172	18,729	1,369	10.2
18	**Nippon Tel & Tel Public Corp**	Japan	communications	Mar	19,038	1,624	46,826	none[4]	318.0
19	**Toyo Menka Kaisha Ltd**	Japan	trading	Mar	18,555	5	6,502	337	6.2
20	**Nissan Motor Co Ltd**	Japan	automotive	Mar	18,228	313	14,862	5,303	110.0

[1] Revenue figures are for group or consolidated operations and exclude taxes and duties. [2] As of Dec. 31, 1984. [3] Combined market value. [4] Not publicly traded. [5] Figures from latest available balance sheet. [6] Not fully consolidated. [7] Based on current cost accounting. [8] Profit before appropriations adjusted to a 50% tax rate to more closely conform to U.S. accounting. NA: Not available. E: Estimated. P: Preliminary.

General note: Revenue and net income are converted to an average rate of exchange for the fiscal year; assets are converted at fiscal year-end rate. For companies with January, February and March fiscal year-ends, 1984 figures are used when more current data are not available.



SPECIAL REPORT ON INTERNATIONAL BUSINESS

The 500 largest foreign companies

Rank	Company	Corporate headquarters	Industry	Fiscal year-end	Revenue[1] (millions)	Net income (millions)	Assets (millions)	Market value of common[2] (millions)	Employees (thousands)
21	TOTAL Group-Française des Pétroles	France	energy	Dec	$18,166	$195	$11,080	$787	45.0
22	Deutsche Bundespost	Germany	communications	Dec	17,500E	NA	43,316[5]	none[4]	482.5E
23	Petrobras-Petróleo Brasileiro SA	Brazil	energy	Dec	17,094	633	13,797	967	56.0
24	VEBA Group	Germany	energy	Dec	17,074	205	9,912	1,846	76.8
25	Philips Group	Netherlands	electrical equipment	Dec	16,768	346[7]	15,364[7]	3,304	344.0
26	Siemens Group	Germany	electrical equipment	Sept	16,648	381	15,602	6,520	319.0
27	Volkswagen Group	Germany	automotive	Dec	16,047	85	10,457	1,538	238.4
28	National Iranian Oil Co	Iran	energy	Dec	16,000E	NA	NA	none[4]	NA
29	Kanematsu-Gosho Ltd	Japan	oil trading	Mar	15,838	8	5,191	359	3.2
30	Nichimen Corp	Japan	trading	Mar	15,765	4	6,338	274	4.2
31	Tokyo Electric Power Co[6]	Japan	utility	Mar	15,705	515	38,151	9,318	40.1
32	PTT-Postes et Télécommunications	France	communications	Dec	15,560	NA	78,825[5]	none[4]	592.0
33	BASF Group	Germany	chemicals & drugs	Dec	15,293	314	7,697	2,661	115.8
34	Daimler-Benz Group	Germany	automotive	Dec	15,286	373	9,024	6,376	199.9
35	Bayer Group	Germany	chemicals & drugs	Dec	15,120	470	10,039	3,139	174.8
36	Kuwait Petroleum Corp	Kuwait	energy	June	14,997	958	16,691	none[4]	14.6[6]
37	B.A.T Industries Plc	UK	multicompany	Dec	14,908	1,133	11,638	5,941	212.8
38	Nippon Life Insurance Co	Japan	insurance	Mar	14,782	2,165	41,408	none[4]	14.0
39	Nippon Oil Co Ltd	Japan	energy	Mar	14,779	62	7,333	3,097	11.1
40	Hoechst Group	Germany	chemicals & drugs	Dec	14,567	376	8,952	3,069	177.9
41	The Electricity Council	UK	utility	Mar	14,272	681[7]	55,053[7]	none[4]	137.2
42	Mitsubishi Heavy Industries Ltd	Japan	industrial equipment	Mar	14,088	115	17,784	2,670	93.8
43	Petróleos de Venezuela SA	Venezuela	energy	Dec	13,597	2,239	17,109	none[4]	43.6
44	Fiat Group	Italy	automotive	Dec	13,553	356	15,883[5]	1,499	230.8
45	Renault Group	France	automotive	Dec	13,455	−1,435	10,794	none[4]	213.7
46	Electricité de France	France	utility	Dec	13,395	−106	38,909	none[4]	124.9
47	Nestlé	Switzerland	food processing	Dec	13,253	632	9,467	5.220	138.0
48	Imperial Chemical Industries Plc	UK	chemicals & drugs	Dec	13,241	781	10,320	5,268	115.6
49.	Bank Leumi le-Israel BM	Israel	banking	Dec	12,915	228	20,239	1,158	14.9
50	British National Oil Corp	UK	oil trading	Dec	12,777	−16	630	none[4]	0.1
51	Barclays Group	UK	banking	Dec	12,294	398	85,144	2,242	125.9
52	Nippon Steel Corp	Japan	steel	Mar	11,989	4	17,063	4,084	66.5[6]
53	Thyssen Group	Germany	steel	Sept	11,783	59	6,360	680	133.0
54	ENEL	Italy	utility	Dec	11,468	0	30,164	none[4]	115.3
55	Toshiba Corp	Japan	multicompany	Mar	11,453	249	11,810	4,460	105.0
56	Banque Nationale de Paris Group	France	banking	Dec	11,377	186	98,996	none[4]	60.0
57	Canadian Pacific Ltd	Canada	multicompany	Dec	11,300	291	14,224	2,711	120.0
58	INI Group	Spain	multicompany	Dec	11,197P	−1,142P	20,321[5]	none[4]	209.0
59	National Westminster Bank Plc	UK	banking	Dec	11,063	386	82,709	2,484	89.6
60	Honda Motor Co Ltd	Japan	automotive	Feb	10,985	532	5,972	4,297	50.6

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General note: Revenue and net income are converted to an average rate of exchange for the fiscal year; assets are converted at fiscal year-end rate. For companies with January, February and March fiscal year-ends, 1984 figures are used when more current data are not available.

The 500 largest foreign companies

Rank	Company	Corporate headquarters	Industry	Fiscal year-end	Revenue[1] (millions)	Net income (millions)	Assets (millions)	Market value of common[2] (millions)	Employees (thousands)
61	**Crédit Lyonnais Group**	France	banking	Dec	$10,884	$116	$90,497	none[4]	54.8[5]
62	**Idemitsu Kosan Co Ltd[6]**	Japan	energy	Mar	10,663	36	6,818	none[4]	5.9
63	**Volvo Group**	Sweden	automotive	Dec	10,523	495	6,410	$1,644	68.6
64	**Peugeot Groupe SA**	France	automotive	Dec	10,424	–39	7,062[5]	309	187.5
65	**Samsung Group**	Korea	multicompany	Dec	10,344	112	7,345	none[4]	122.3
66	**Hyundai Group**	Korea	multicompany	Dec	10,303	106	8,280	none[4]	155.0
67	**Midland Bank Group**	UK	banking	Dec	10,301	60	71,104	992	80.6
68	**British Telecom**	UK	communications	Mar	10,262	1,477	16,023	none[4]	244.6
69	**Indian Oil Corp Ltd**	India	energy	Mar	10,045	80	2,607	none[4]	29.8
70	**RWE Group**	Germany	energy	June	9,972	202	10,808	1,581	70.4
71	**Société Générale Group**	France	banking	Dec	9,771	106	87,136	none[4]	44.1
72	**ÖIAG-Österreichische Industrie Verwaltungs AG**	Austria	multicompany	Dec	9,640E	NA	1,572	none[4]	105.6
73	**Deutsche Bundesbahn**	Germany	transportation	Dec	9,585	–1,096	22,919[5]	none[4]	305.2
74	**British Gas Corp**	UK	utility	Mar	9,585	598[7]	21,008[7]	none[4]	99.3
75	**Tengelmann Group**	Germany	retailing	June	9,500E	NA	NA	none[4]	89.7E
76	**NV Nederlandse Gasunie**	Netherlands	energy	Dec	9,475	24	2,050	none[4]	1.8
77	**Lucky-Gold Star Group**	Korea	multicompany	Dec	8,966	28	5,317	none[4]	70.0
78	**Petrofina SA**	Belgium	energy	Dec	8,656	268	5,654	1,725	22.5
79	**Kansai Electric Power Co[6]**	Japan	utility	Mar	8,593	273	19,595	5,623	24.4
80	**Cie Générale d'Electricité**	France	electrical equipment	Dec	8,483	67	9,430	none[4]	161.9
81	**Banco do Brazil**	Brazil	banking	Dec	8,413	988	47,430	931	116.7
82	**REWE-Zentralorganisationen**	Germany	cooperative	Dec	8,253	115	NA	none[4]	0.7
83	**INH-Instituto Nacional de Hidrocarburos**	Spain	energy	Dec	8,224P	NA	60,905	none[4]	19.5
84	**Bell Canada Enterprises**	Canada	communications	Dec	8,168	726	13,232	6,272	108.1
85	**S&W Berisford Plc**	UK	trading	Sept	7,983	87	1,812	414	9.2
86	**Rio Tinto-Zinc Corp Plc**	UK	nonferrous metals	Dec	7,949	219	10,062	2,092	74.0
87	**Daewoo Group**	Korea	multicompany	Dec	7,938	59	7,943	none[4]	89.0[5]
88	**Ruhrkohle**	Germany	mining	Dec	7,876	41	5,219	none[4]	135.9
89	**General Electric Co Plc**	UK	aerospace & defense	Mar	7,867	609	7,066	6,923	170.9
90	**Dai-Ichi Kangyo Bank Ltd**	Japan	banking	Mar	7,729	241	130,688	13,094	22.0[5]
91	**Crédit Agricole**	France	banking	Dec	7,680[6]	121	92,434	none[4]	74.2
92	**Lloyds Bank Group**	UK	banking	Dec	7,591	307	50,896	1,452	70.9
93	**Royal Bank of Canada**	Canada	banking	Oct	7,584	350	66,937	2,170	38.2
94	**Paribas Group**	France	banking	Dec	7,528	86	56,195	none[4]	28.0
95	**NEC Corp**	Japan	office equipment	Mar	7,454	188	9,255	6,673	78.4
96	**CIBA-GEIGY Group**	Switzerland	chemicals & drugs	Dec	7,436	581	8,694[7]	3,089	81.4
97	**Sumitomo Bank Ltd**	Japan	banking	Mar	7,420	340	117,678	16,233	15.1[6]
98	**Barlow Rand Group**	South Africa	multicompany	Sept	7,390	163	4,303	967	153.0
99	**Sumitomo Life Insurance Co**	Japan	insurance	Mar	7,374	1,142	22,180	none[4]	10.7
100	**Mitsubishi Electric Corp**	Japan	multicompany	Mar	7,365	164	7,056	2,652	65.9

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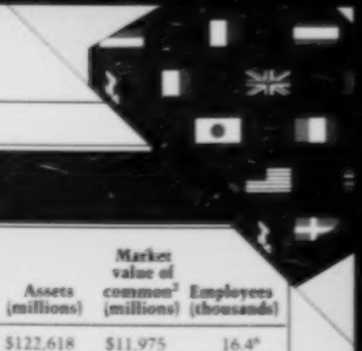

The 500 largest foreign companies

Rank	Company	Corporate headquarters	Industry	Fiscal year-end	Revenue[1] (millions)	Net income (millions)	Assets (millions)	Market value of common[2] (millions)	Employees (thousands)
101	**Fuji Bank Ltd**	Japan	banking	Mar	$7,352	$267	$122,618	$11,975	16.4[6]
102	**Chubu Electric Power[6]**	Japan	utility	Mar	7,174	309	12,623	3,820	19.4
103	**Maruzen Oil Co Ltd**	Japan	energy	Mar	7,151	125	3,724	440	1.8[6]
104	**Montedison Group**	Italy	chemicals & drugs	Dec	7,047	-47	6,098	720	71.2
105	**NV DSM**	Netherlands	chemicals & drugs	Dec	7,034	144	3,464	none[4]	27.2
106	**Saint-Gobain**	France	building products	Dec	7,018	57	5,932	none[4]	125.0
107	**SNCF**	France	transportation	Dec	6,993	-703	13,127	none[4]	246.0
108	**Deutsche Bank Group**	Germany	banking	Dec	6,988	232	73,785	3,574	47.9
109	**National Coal Board**	UK	energy	Mar	6,955	-1,306	8,714	none[4]	243.3
110	**Mitsubishi Bank Ltd**	Japan	banking	Mar	6,739	254	112,662	11,709	15.8
111	**Sanwa Bank Ltd**	Japan	banking	Mar	6,726	240	105,592	11,177	16.0[6]
112	**IDB Bankholding Corp Ltd**	Israel	banking	Dec	6,721	167	10,721	630	8.1
113	**Kawasho Corp[6]**	Japan	trading	Sept	6,627	3	2,321	125	1.9
114	**Le Groupe Thomson**	France	electrical equipment	Dec	6,548	4	7,330	none[4]	112.0
115	**Sunkyong Group**	Korea	multicompany	Dec	6,543	49	2,447	none[4]	19.0
116	**Mazda Motor Corp**	Japan	automotive	Oct	6,490	147	3,407	1,545	28.9
117	**Robert Bosch Group**	Germany	automotive	Dec	6,455	143	4,438	none[4]	131.9
118	**Krupp Group**	Germany	steel	Dec	6,408	25	3,274	none[4]	66.3
119	**BRADESCO Group**	Brazil	banking	Dec	6,374	234[7]	8,448[7]	163	125.9
120	**George Weston Ltd**	Canada	retailing	Dec	6,373	66	1,724	643	56.0
121	**GEDELFI**	Germany	cooperative	Dec	6,324	43	NA	none[4]	0.2
122	**Bank of Montreal**	Canada	banking	Oct	6,306	220	58,181	1,360	33.6
123	**Bank of Tokyo Ltd**	Japan	banking	Mar	6,289	139	83,780	4,078	14.6
124	**Gutehoffnungshütte Group**	Germany	industrial equipment	June	6,203	-22[5]	4,220[5]	440	73.9
125	**Grand Metropolitan Plc**	UK	consumer goods	Sept	6,190	296	4,885	2,659	125.1
126	**Sanyo Electric Co Ltd**	Japan	consumer electronics	Nov	6,093	185	4,998	1,863	24.8
127	**Klöckner & Co**	Germany	multicompany	Dec	6,061	14[6]	1,289[5]	none[4]	33.9
128	**Daiei Inc**	Japan	food distribution	Feb	5,981	36	3,715[5]	722	14.1[6]
129	**Schlumberger Ltd**	Netherlands An	oilfield service	Dec	5,978	1,182	10,913	11,464	80.0
130	**Industrial Bank of Japan Ltd**	Japan	banking	Mar	5,960	186	85,805	6,936	5.7[6]
131	**Nippon Kokan KK**	Japan	steel	Mar	5,960	-43	11,626	1,782	37.6
132	**Canadian Imperial Bank of Commerce**	Canada	banking	Oct	5,942	220	51,812	934	32.6
133	**Koor Industries**	Israel	multicompany	Dec	5,881	76	1,216	none[4]	34.0
134	**Rhône-Poulenc Group**	France	chemicals & drugs	Dec	5,858	227	4,515	none[4]	79.2
135	**Allianz Worldwide**	Germany	insurance	Dec	5,800E	90[8]	6,368	3,061	25.0
136	**BMW-Bayerische Motoren Werke**	Germany	automotive	Dec	5,792	113[6]	2,069[6]	1,421	51.9
137	**Chinese Petroleum Corporation**	Taiwan	energy	Dec	5,722	533	4,332	none[4]	19.6
138	**South African Transport Services**	South Africa	transportation	Mar	5,690	64	12,471	none[4]	240.9
139	**Standard Chartered Bank Group**	UK	banking	Dec	5,577	98	39,853	859	55.6
140	**Nippon Mining Co Ltd**	Japan	energy	Mar	5,561	26	4,027	1,091	6.0

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141	Peninsular & Oriental Steam Navigation	UK	multicompany	Dec	$5,555	$–24	$1,300	$508	20.9
142	Mannesmann Group	Germany	industrial equipment	Dec	5,539	57	3,421	1,114	103.7
143	Kobe Steel Ltd	Japan	steel	Mar	5,470	–36	8,002	1,269	30.1[6]
144	Gaz de France	France	utility	Dec	5,469	–345	5,106	none[4]	29.1
145	Alcan Aluminium Ltd	Canada	metals	Dec	5,467	216	6,690	2,849	70.0
146	Sony Corp	Japan	consumer electronics	Oct	5,415	303	5,340	3,264	44.0
147	Mitsubishi Oil Co Ltd	Japan	energy	Mar	5,395	–19	3,413	444	2.7[6]
148	Ruhrgas	Germany	energy	Dec	5,383	151	1,740	none[4]	2.9[6]
149	Dalgety Plc	UK	food processing	June	5,377	32	1,284	428	20.9
150	Neste Group	Finland	energy	Dec	5,360	93	2,793	none[4]	8.4
151	Toa Nenryo Kogyo KK	Japan	energy	Dec	5,312	179	2,887	2,067	4.7
152	Norinchukin Bank[8]	Japan	banking	Mar	5,260	91	83,696	none[4]	3.2
153	Leclerc	France	cooperative	Dec	5,205	NA	NA	none[4]	27.7
154	Dresdner Bank	Germany	banking	Dec	5,192	128	55,502	1,205	32.2
155	Banco Itaú Group	Brazil	banking	Dec	5,151	169	5,121	168	75.8
156	Akzo Group	Netherlands	chemicals & drugs	Dec	5,148	234	3,220	1,105	66.1
157	Fujitsu Ltd	Japan	office equipment	Mar	5,119	282	5,681	6,974	62.1
158	Axel Johnson Group	Sweden	multicompany	Dec	5,032	NA	2,538	none[4]	29.9
159	Meiji Mutual Life Insurance Co	Japan	insurance	Mar	5,020	753	14,812	none[4]	8.8
160	British Steel Corp	UK	steel	Mar	5,012	–382	5,239	none[4]	78.7
161	Ferruzzi Group	Italy	trading	Dec	5,000E	NA	2,000E	none[4]	5.0
162	Michelin Group	France	automotive	Dec	4,942	–256	6,149	323	120.0
163	Sumitomo Metal Industries Ltd	Japan	steel	Mar	4,919	–40	9,895	1,637	28.5[6]
164	G J Coles & Coy Ltd	Australia	retailing	July	4,915	94	1,325	821	77.6
165	Daikyo Oil Co Ltd	Japan	energy	Mar	4,900E	28	2,064	149	1.9[6]
166	Toyoda Tsusho Kaisha Ltd	Japan	trading	Mar	4,898	21	1,404	356	1.8
167	Broken Hill Proprietary Co Ltd	Australia	steel	May	4,885	558	9,178	3,812	58.0
168	Bank of Nova Scotia	Canada	banking	Oct	4,852	211	44,971	1,485	25.5
169	Banco de la Nación Argentina	Argentina	banking	Dec	4,852	138	7,347	none[4]	20.5
170	Preussag Group	Germany	multicompany	Dec	4,826	47	1,492	641	20.2
171	Mitsubishi Chemical Industries	Japan	chemicals & drugs	Jan	4,824	–14	4,893	1,529	8.3[6]
172	Prudential Corp Plc	UK	insurance	Dec	4,820	60	21,935	1,718	28.5
173	Elders IXL Ltd	Australia	trading	June	4,804	61	2,100	617	23.5
174	Bank of China	China	banking	Dec	4,789	644	71,651	none[4]	26.0
175	Mitsui Bank Ltd[8]	Japan	banking	Mar	4,786	139	78,364	6,961	11.40
176	BBC-Brown Boveri Group	Switzerland	electrical equipment	Dec	4,772	36	8,161	457	100.1
177	Long-Term Credit Bank of Japan Ltd[8]	Japan	banking	Mar	4,693	118	70,150	4,181	3.6
178	BTR Plc	UK	multicompany	Dec	4,659	224	2,609	3,770	60.3
179	Générale des Eaux Groupe	France	utility	Dec	4,658	56	3,340	622	68.7
180	Franz Haniel & Cie Gmbh	Germany	trading	Dec	4,645	24	1,073	none[4]	16.0

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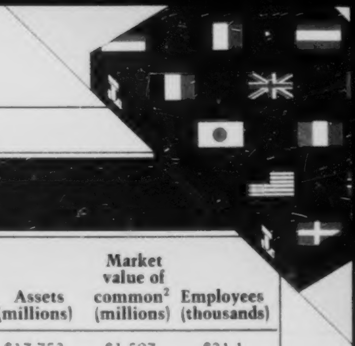

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181	**Nationale-Nederlanden**	Netherlands	insurance	Dec	$4,640	$162	$17,753	$1,597	$21.1
182	**Kawasaki Steel Corp[6]**	Japan	steel	Mar	4,621	3	8,166	1,761	28.2
183	**Taisei Corp**	Japan	construction	Mar	4,554	55	4,601	638	12.6
184	**BL Plc**	UK	automotive	Dec	4,545	107	2,577	none[4]	80.5
185	**Tokai Bank Ltd**	Japan	banking	Mar	4,523	160	80,962	5,618	14.2[6]
186	**Yacimento Petróliferos-YPF**	Argentina	energy	Dec	4,500E	NA	NA	none[4]	33.0
187	**Carrefour**	France	food distribution	Dec	4,497	55	1,465	559	28.7
188	**Tohoku Electric Power Co[6]**	Japan	utility	Mar	4,496	169	10,153	2,255	13.1
189	**Ishikawajima-Harima Heavy Industries Co**	Japan	industrial equipment	Mar	4,450	49	7,097	780	26.3[6]
190	**Usinor**	France	steel	Dec	4,423	–846	4,568	216	55.9
191	**Kyushu Electric Power[6]**	Japan	utility	Mar	4,418	179	10,349	2,089	14.9
192	**Kajima Corp**	Japan	construction	Nov	4,380	56	4,645	854	16.0
193	**Ito-Yokado Co Ltd**	Japan	food distribution	Feb	4,379	107	1,898	2,874	24.1
194	**Statoil Group**	Norway	energy	Dec	4,369	143	5,058	none[4]	4.9
195	**Westpac Banking Corp Group**	Australia	banking	Sept	4,364	308	33,676	1,149	41.0
196	**ASEA Group**	Sweden	electrical equipment	Dec	4,364	150	4,125	1,208	58.4
197	**Ultramar Plc**	UK	energy	Dec	4,356	170	2,711	665	4.0
198	**Norsk Hydro a s**	Norway	energy	Dec	4,356	247	3,919	922	19 8
199	**Zurich Insurance Group**	Switzerland	insurance	Dec	4,353	47[6]	4,132[6]	1,435	10.2
200	**Sacilor**	France	steel	Dec	4,336	–1,039	4,461	none[4]	63.6
201	**Vendex International BV**	Netherlands	retailing	Jan	4,315	72	1,416	none[4]	52.4
202	**Westdeutsche Landesbank Group**	Germany	banking	Dec	4,309	6	44,947	none[4]	7.2
203	**Sharp Corp**	Japan	consumer electronics	Mar	4,304	161	4,149	3,173	21.1[6]
204	**Migros-Genossenschafts-Bund**	Switzerland	cooperative	Dec	4,302	65	2,640	none[4]	54.3
205	**Taiyo Fishery Co Ltd**	Japan	food processing	Jan	4,252	1	1,895	284	4.7[6]
206	**Asahi Mutual Life Insurance**	Japan	insurance	Mar	4,250	694	13,631	none[4]	34.2
207	**British Post Office**	UK	communications	Mar	4,244	174[7]	4,700[7]	none[4]	181.3
208	**Electrolux Group**	Sweden	consumer electronics	Dec	4,228	145	2,923	736	89.5
209	**Banco Nacional de México-Banamex**	Mexico	banking	Dec	4,214	96	13,544	none[4]	28.0
210	**THORN EMI Plc**	UK	consumer electronics	Mar	4,210	137	2,779	1,193	89.1
211	**Suez Group**	France	banking	Dec	4,202	80	27,482	none[4]	11.0
211	**VIAG Group**	Germany	multicompany	Dec	4,202	43	1,901	none[4]	21.0
213	**Swiss Re Group**	Switzerland	insurance	Dec	4,200E	44	10,168[5]	928	13.7
213	**Generali Group**	Italy	insurance	Dec	4,200E	NA	3,636[5]	none[4]	18.0
215	**Türkiye Petrolleri AO**	Turkey	energy	Dec	4,179	354	3,181	none[4]	16.5
216	**KF-Group**	Sweden	retailing	Dec	4,164	28[8]	1,790	none[4]	64.3
217	**Alfred C Toepfer Internationale Gruppe**	Germany	grain	Nov	4,154	NA	NA	none[4]	0.6
218	**Nippon Express Co Ltd**	Japan	transportation	Mar	4,112	29	2,727	1,394	57.6
219	**Canadian Wheat Board**	Canada	grain	July	4,111	NA	3,835	none[4]	0.6
220	**CARIPLO Group**	Italy	banking	Dec	4,089	0	31,010	none[4]	13.5

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221	**Shimizu Construction Co Ltd[6]**	Japan	construction	Mar	$4,079	$59	$ 3,967	$ 654	10.4
222	**Union Bank of Switzerland**	Switzerland	banking	Dec	4,076	248	50,689	4,875	17.6
223	**Pechiney**	France	nonferrous metals	Dec	4,065	62	3,908	none[4]	48.2
224	**Société Générale de Banque SA**	Belgium	banking	Dec	4,054	36	30,753	436	15.8
225	**Degussa AG**	Germany	metals	Sept	4,041	39	1,348	622	22.5
226	**Marks & Spencer Plc**	UK	retailing	Mar	4,037	227	2,450	3,663	41.0
227	**Toronto-Dominion Bank**	Canada	banking	Oct	4,035	277	35,442	1,898	17.5
228	**BANESPA Group**	Brazil	banking	Dec	4,009	48	4,193	none[4]	27.3
229	**Banca Nazionale del Lavoro**	Italy	banking	Dec	3,982	31	96,751	none[4]	25.1
230	**Commercial Union Assurance Co Plc**	UK	insurance	Dec	3,979	–46	10,529	897	19.2
231	**Royal Insurance Plc**	UK	insurance	Dec	3,961	–8	9,436	1,421	20.0
232	**Asahi Chemical Industry Co Ltd**	Japan	chemicals & drugs	Mar	3,951	56	3,777	3,333	15.9[6]
233	**Korea Electric Power Corp**	Korea	utility	Dec	3,950	344	13,175	none[4]	21.9
234	**Pirelli Group**	Switzerland/Italy	automotive	Dec	3,943	79	3,083	527[3]	63.0
235	**SHV Holdings NV**	Netherlands	multicompany	Dec	3,906	39	1,393	none[4]	20.7
236	**STL-Finnish Wholesalers & Importers**	Finland	cooperative	Dec	3,898	NA	NA	none[4]	30.0
237	**Solvay Group**	Belgium	chemicals & drugs	Dec	3,883	115	2,941	509	43.5
238	**AEG Telefunken Group**	Germany	electrical equipment	Dec	3,870	154	2,456	398	73.2
239	**Canadian National Railway System**	Canada	transportation	Dec	3,862	96	5,650	none[4]	66.2
240	**Commerzbank**	Germany	banking	Dec	3,854	91	38,972	908	22.8
241	**Tesco Plc**	UK	food distribution	Feb	3,853	76	949	936	42.0
242	**South African Breweries Ltd**	South Africa	retailing	Mar	3,824	181	2,238	908	73.5
243	**Edeka-Zentrale**	Germany	retailing	Dec	3,819	NA	NA	none[4]	32.0
244	**Metallgesellschaft**	Germany	nonferrous metals	Sept	3,811	7	1,636	332	24.9
245	**British Railways Board**	UK	transportation	Dec	3,800E	NA	2,283	none[4]	180.7
246	**Karstadt Group**	Germany	retailing	Dec	3,789	8	1,391	544	68.2
247	**Swiss Bank Corp**	Switzerland	banking	Dec	3,781	214	46,045	3,332	14.4
248	**Petro-Canada**	Canada	energy	Dec	3,769	194	6,852	none[4]	6.7
249	**J Sainsbury Plc**	UK	food distribution	Mar	3,767	136	1,458	2,401	39.8
250	**Taiyo Kobe Bank Ltd[6]**	Japan	banking	Mar	3,762	84	62,626	2,954	15.2
251	**Hudson's Bay Co**	Canada	retailing	Jan	3,710	–82	2,976	310	42.5
252	**Monte dei Paschi di Siena Banking Group**	Italy	banking	Dec	3,700	83	30,272	none[4]	16.0
253	**Friedrich Flick Group**	Germany	multicompany	Dec	3,695	70	2,451	none[4]	43.2
254	**Associated British Foods Plc**	UK	food processing	Mar	3,682	112	1,707	939	77.3
255	**British Airways Plc**	UK	transportation	Mar	3,680	263	2,457P	none[4]	38.1
256	**Münchener Rückversicherungs**	Germany	insurance	June	3,678	16	7,298	1,459	2.7
257	**Nichii Co Ltd**	Japan	retailing	Feb	3,657	18	1,995	615	16.1
258	**Seiyu Ltd**	Japan	food distribution	Feb	3,640	14	1,995	391	9.7[6]
259	**Chugoku Electric Power Co[6]**	Japan	utility	Mar	3,639	138	6,949	1,596	12.1
260	**Co op AG**	Germany	cooperative	Dec	3,635	12[6]	851[6]	none[4]	39.9[6]

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261	**Deutsche Lufthansa AG**	Germany	transportation	Dec	$3,619	$57	$1,782	$909	36.5
262	**Gencor-General Mining Union**	South Africa	mining	Dec	3,614	176	3,657	963	250.0
263	**Banco de la Provincia de Buenos Aires**	Argentina	banking	Dec	3,607	209	3,150	none[4]	15.3
264	**Bayerische Vereinsbank Group**	Germany	banking	Dec	3,580	60	39,440	898	13.0
265	**Coop (France)**	France	cooperative	Dec	3,558	NA	1,042E	none[4]	41.0
266	**Telefonaktiebolaget LM Ericsson**	Sweden	communications	Dec	3,551	86	4,186	1,042	75.1
267	**Alusuisse**	Switzerland	nonferrous metals	Dec	3,551	71	3,500	352	35.3
268	**Roche/Sapac Group**	Switzerland	chemicals & drugs	Dec	3,518	161	4,819	2,531	46.2
269	**Japan Air Lines Co Ltd**	Japan	transportation	Mar	3,513	–14	3,293	2,990	25.3
270	**Mitsui Mutual Life Insurance Co**	Japan	insurance	Mar	3,502	511	10,124	none[4]	29.4
271	**Metro-Deutschland Gruppe**	Germany	cooperative	Dec	3,500E	NA	NA	none[4]	15.0[6]
272	**Canon Inc**	Japan	office equipment	Dec	3,496	147	3,650	2,956	30.3
273	**Nippondenso Co Ltd**	Japan	automotive	Dec	3,494	163	2,784	3,577	36.9
274	**Sumitomo Chemical Co Ltd**	Japan	chemicals & drugs	Dec	3,491	52	3,325	1,344	11.0
275	**Coop Suisse**	Switzerland	cooperative	Dec	3,490	NA	NA	none[4]	31.0
276	**Kawasaki Heavy Industries Ltd**	Japan	multicompany	Mar	3,471	–15	4,570	853	27.3
277	**Jusco Co Ltd**	Japan	retailing	Feb	3,456	31	1,708	617	30.4
278	**Générale Occidentale**	France	retailing	Mar	3,437	33	1,042	262	22.7
279	**Salzgitter**	Germany	steel	Sept	3,425	–139	2,628	none[4]	45.9
280	**Rothmans International Plc**	UK	consumer goods	Mar	3,423	110	2,308	487	25.0
281	**Toshoku Ltd**	Japan	trading	Oct	3,410	1	1,274[5]	78	0.6[6]
282	**Ssang Yong Group**	Korea	multicompany	Dec	3,400E	NA	NA	none[4]	27.5
283	**Bridgestone Corp**	Japan	automotive	Dec	3,375	65	2,854	1,116	32.6
284	**Provigo Inc**	Canada	food distribution	Jan	3,355	30	549	238	11.2
285	**Deutsche SPAR-Zentrale**	Germany	cooperative	Dec	3,335	NA	NA	none[4]	35.0
286	**Hanson Trust Plc**	UK	multicompany	Sept	3,334	171	2,676	2,627	67.0
287	**Auchan Samu**	France	retailing	Dec	3,329	79	73	none[4]	21.0
288	**Intermarché**	France	cooperative	Dec	3,329	NA	NA	none[4]	25.6
289	**Snow Brand Milk Products Co Ltd**	Japan	food processing	Mar	3,326	12	1,402	433	8.9[6]
290	**Lonrho Group**	UK	trading	Sept	3,314	72	2,564	511	148.0
291	**NAFTA**	Belgium	trading	Dec	3,313	0	NA	none[4]	1.2
292	**Yasuda Mutual Life Insurance Co**	Japan	insurance	Mar	3,306	511	8,872	none[4]	22.2
293	**Ahold**	Netherlands	retailing	Dec	3,304	33	803	213	47.1
294	**Nippon Yusen Kaisha Line**	Japan	transportation	Mar	3,303	56	3,554	944	4.2[6]
295	**CEPSA-Cia Española de Petroleos**	Spain	energy	Dec	3,303	51	1,216	29	4.1
296	**PTT-Schweizerische PTT**	Switzerland	communications	Dec	3,300	132	7,544	none[4]	56.2
297	**Imperial Group Plc**	UK	consumer goods	Oct	3,300E	176	2,642	1,525	92.6
298	**Allied-Lyons Plc**	UK	beverages	Mar	3,299	139	3,134	1,247	71.2
299	**British Aerospace Plc**	UK	aerospace & defense	Dec	3,297	144	2,833	848	76.0
300	**UAP-Union des Assurances de Paris**	France	insurance	Dec	3,283	154	8,465	613	17.6

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301	**Henkel Group**	Germany	chemicals & drugs	Dec	$3,282	$45	$1,780	none[4]	31.6
302	**TransCanada PipeLines Ltd**	Canada	energy	Dec	3,267	194	4,388	$1,567	1.9
303	**Isuzu Motors Ltd**[6]	Japan	automotive	Oct	3,262	–75	2,771	996	15.5
304	**Ontario Hydro**	Canada	utility	Dec	3,252	443	20,660	none[4]	29.6
305	**Otto Versand Group**	Germany	retailing	Feb	3,236	46[6]	721[6]	none[4]	21.9
306	**McDermott International**	Panama	oilfield service	Mar	3,233	30	4,180	900	40.0
307	**Canada Development Corp**	Canada	energy	Dec	3,228	62	5,788	166	18.0
308	**Hydro-Quebec**	Canada	utility	Dec	3,222	232	20,530	none[4]	18.6
309	**Woolworths Ltd**	Australia	retailing	Jan	3,220	54	834	375	47.0
310	**Tokyo Gas Co Ltd**	Japan	utility	Mar	3,214	107	3,229	1,798	15.4
311	**General Sekiyu Group**	Japan	energy	Mar	3,211	30	1,766	276	1.8
312	**Formosa Plastics Group**	Taiwan	chemicals & drugs	Dec	3,206	164	3,030	none[4]	39.5
313	**Toray Industries**	Japan	textiles	Mar	3,193	60	3,367	2,129	30.3
314	**Commonwealth Banking Corp Group**	Australia	banking	June	3,182	214	26,266	none[4]	35.0
315	**Unibanco Group**	Brazil	banking	Dec	3,175	42[7]	3,500[7]	23	37.0
316	**Arabian Oil**	Japan	energy	Dec	3,167	12	748	967	2.2
317	**Sandoz Group**	Switzerland	chemicals & drugs	Dec	3,163	174	2,936	1,365	38.0
318	**Air France**	France	transportation	Dec	3,162	61	1,716	none[4]	35.2
319	**Taiwan Power Co**	Taiwan	utility	Dec	3,161	621	12,795	none[4]	21.1
320	**Crédit Industriel et Commercial**	France	banking	Dec	3,143	31	27,930	none[4]	26.4
321	**Saab-Scania Group**	Sweden	automotive	Dec	3,137	154[8]	2,596	879	43.1
322	**Takashimaya Co Ltd**	Japan	retailing	Feb	3,135	15	1,449	291	8.2[6]
323	**BSN-Groupe**	France	food processing	Dec	3,122	86	2,152	896	37.3
324	**Fletcher Challenge Ltd**	New Zealand	trading	June	3,106	92	3,492	444	21.5
325	**Cockerill Sambre**	Belguim	steel	Dec	3,099	–115	3,657[5]	none[4]	19.0
326	**Netherlands PTT**	Netherlands	communications	Dec	3,089	500	15,369[5]	none[4]	102.4
327	**Siderbrás Group**	Brazil	steel	Dec	3,087	–346	16,509	none[4]	65.7
328	**Promodès Group**	France	food distribution	Dec	3,084	16	844	214	24.1
329	**Sanpaolo Group**	Italy	banking	Dec	3,071	209	27,078	none[4]	11.5
330	**MABANAFT Group**	Germany	oil trading	Dec	3,064	NA	370E	none[4]	0.7
331	**Kesko Oy**[6]	Finland	cooperative	Dec	3,057	10	958	none[4]	6.9
332	**Sun Alliance & London Insurance Plc**	UK	insurance	Dec	3,057	54	8,934	1,003	15.0
333	**Haci Ömer Sabanci Holding Corp**	Turkey	multicompany	Dec	3,044	87	2,194	none[4]	27.7
334	**Asahi Glass Co Ltd**	Japan	automotive	Dec	3,040	123	2,371[6]	3,707	9.2[6]
335	**Great Universal Stores Plc**	UK	retailing	Mar	3,034	204	2,642	2,046	44.4
336	**Winterthur Group**	Switzerland	insurance	Dec	3,023	49	8,237	1,171	12.0
337	**Nacional Financiera SA**	Mexico	banking	Dec	3,018	29	15,758	none[4]	2.1
338	**Komatsu Ltd**	Japan	industrial equipment	Dec	3,003	95	3,758	1,529	23.4
339	**Bayerische Hypotheken-und Wechsel-Bank**	Germany	banking	Dec	2,963	65	33,398	1,145	11.4
340	**S Group**	Finland	cooperative	Dec	2,944	–2[6]	486[6]	none[4]	35.1

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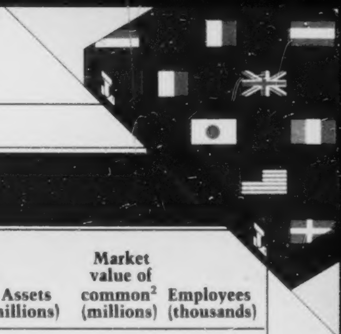

SPECIAL REPORT ON INTERNATIONAL BUSINESS

The 500 largest foreign companies

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341	**BOC Group Plc**	UK	industrial gases	Sept	$2,943	$128	$3,444	$1,163	38.7
342	**Ohbayashi Corp**	Japan	construction	Mar	2,937	47	3,964	474	10.2[6]
343	**Australia & New Zealand Banking Group Ltd**	Australia	banking	Sept	2,934	109	29,866	1,303	36.8
344	**Nova, an Alberta Corporation**	Canada	energy	Dec	2,929	157	4,864	675	7.8
345	**Delhaize "Le Lion" Group**	Belgium	food distribution	Dec	2,927	19	603	182	26.4
346	**Nippon Credit Bank Ltd[6]**	Japan	banking	Mar	2,917	72	42,651	2,269	1.9
347	**Co-operative Wholesale Society Ltd**	UK	food processing	Dec	2,891	22	738	none[4]	21.5
348	**Guest Keen & Nettlefolds Plc**	UK	automotive	Dec	2,887	64	1,990	528	54.9
349	**Dai Nippon Printing Co Ltd**	Japan	publishing	May	2,883	100	2,180	2,480	13.1
350	**Daimaru**	Japan	retailing	Feb	2,878	–16	1,344	216	8.3[6]
351	**Beecham Group Plc**	UK	consumer goods	Mar	2,876	218	2,850	3,235	37.5
352	**Aérospatiale**	France	aerospace & defense	Dec	2,876	37	4,496	none[4]	39.8
353	**Cie Financière Sucres et Denrees**	France	trading	Dec	2,860	6	708	none[4]	4.5
354	**Philip Holzmann AG**	Germany	construction	Dec	2,857	6	954	205	35.7
355	**BayWa AG**	Germany	grain	Dec	2,846	2	601	63	11.4
356	**Fuji Photo Film Co Ltd**	Japan	consumer goods	Oct	2,826	238	3,175	2,280	16.7
357	**Kumagai Gumi Co Ltd**	Japan	construction	Sept	2,822	65	3,785	764	8.7
358	**Steel Authority of India Ltd**	India	steel	Mar	2,810	–208	7,254	none[4]	205.2
359	**General Accident Fire & Life Assurance Company Plc**	UK	insurance	Dec	2,804	13	4,542	1,011	17.0[6]
360	**BICC Plc**	UK	electrical equipment	Dec	2,791	33	1,341	525	48.5
361	**Inchcape Plc**	UK	trading	Dec	2,787	27	1,710	387	47.7
362	**Union International Plc**	UK	food processing	Dec	2,784	NA	599[5]	none[4]	30.0
363	**ICA Group**	Sweden	food distribution	Dec	2,752	35[8]	778	none[4]	12.2
364	**Imasco**	Canada	retailing	Mar	2,747	177	2,005	1,957	19.9
365	**CEA-Groupe**	France	energy	Dec	2,745	NA	8,531[5]	none[4]	23.7
366	**Steinberg Inc**	Canada	food distribution	July	2,734	11	772	139	31.0
367	**Hanwa Co Ltd[6]**	Japan	trading	Mar	2,734	13	1,165	413	1.0
368	**Tokio Marine & Fire Insurance Co**	Japan	insurance	Mar	2,719	149	12,450	3,975	9.7
369	**National Australia Bank Ltd**	Australia	banking	Sept	2,717	226	22,911	934	22.5
370	**Banco di Napoli**	Italy	banking	Dec	2,713	7	22,321	none[4]	13.8
371	**Guardian Royal Exchange Plc**	UK	insurance	Dec	2,710	72	7,592	1,217	16.4
372	**Crédit Suisse**	Switzerland	banking	Dec	2,706	177	32,506	3,676	12.3
373	**Courtaulds Plc**	UK	chemicals & drugs	Mar	2,703	94	1,730	561	70.0
374	**Sun Life Assurance Co**	Canada	insurance	Dec	2,696	91	9,806	none[4]	4.6
375	**Cadbury Schweppes Plc**	UK	food processing	Dec	2,694	86	1,547	951	35.5
376	**Skandinaviska Enskilda Bank Group**	Sweden	banking	Dec	2,688	133[8]	20,256	741	7.9
377	**Suzuki Motor Co Ltd**	Japan	automotive	Mar	2,683	24	1,638	621	11.8[6]
378	**Korea Explosives Group**	Korea	multicompany	Dec	2,667	8	1,981	none[4]	16.0
379	**Electricity Supply Commission**	South Africa	utility	Dec	2,664	199	12,299	none[4]	70.0
380	**Reed International Plc**	UK	publishing	Mar	2,657	98	1,660	742	45.2

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381	**Sears Holdings Plc**	UK	retailing	Jan	$2,651	$143	$1,497	$1,416	60.6
382	**Chori Co Ltd**	Japan	trading	Mar	2,649	4	1,127	118	1.4[6]
383	**Kaufhof**	Germany	retailing	Dec	2,648	21	962	462	43.7
384	**Toppan Printing Co Ltd**	Japan	publishing	May	2,647	76	1,750	1,643	12.2
385	**Itoman & Co Ltd**	Japan	trading	Sept	2,647	6	1,750	297	2.3
386	**Unigate Plc**	UK	food processing	Mar	2,636	28	1,128	372	35.2
387	**Osaka Gas Co Ltd**	Japan	utility	Mar	2,633	118	3,060	1,544	10.6[6]
388	**Standard Telephones and Cables Plc**	UK	communications	Dec	2,628	84	1,501	1,525	52.2
389	**Myer Emporium Ltd**	Australia	retailing	July	2,626	84	1,378	398	48.9
390	**Kubota Ltd**	Japan	automotive	Apr	2,625	60	2,813	1,742	18.0
391	**Associated Dairies Group Plc**	UK	food distribution	Apr	2,621	49	759	1,244	32.2
392	**Hiram Walker Resources Ltd**	Canada	multicompany	Sept	2,615	192	4,044	1,338	10.3
393	**Noranda**	Canada	nonferrous metals	Dec	2,614	–3	4,772	1,581	26.0
394	**Olivetti Group**	Italy	office equipment	Dec	2,605	202	3,504	1,149	47.6
395	**Koc Group**	Turkey	multicompany	Dec	2,600E	NA	1,084[5]	none[4]	28.5
396	**Manufacturers Life Insurance Co**	Canada	insurance	Dec	2,583	195	9,088	none[4]	3.8
397	**AGF-Assurances Générales de France**	France	insurance	Dec	2,561	NA	5,604[5]	208	11.8
398	**Bouygues Group**	France	construction	Dec	2,560	45	2,833	276	21.5
399	**Boots Co Plc**	UK	retailing	Mar	2,554	168	1,473	235	67.9
400	**Fuji Heavy Industries Ltd[6]**	Japan	automotive	Mar	2,550	64	1,731	695	13.9[6]
401	**Hoesch Group**	Germany	steel	Dec	2,547	33	1,936	221	33.5
402	**Bayerische Landesbank Girozentrale**	Germany	banking	Dec	2,542	49	33,298	none[4]	4.1
403	**Mitsubishi Trust & Banking Corp[6]**	Japan	banking	Mar	2,537	62	61,449	2,706	6.5
404	**Gill & Duffus Group Plc**	UK	trading	Dec	2,524	17	683	118	2.8
405	**Crédit Foncier de France**	France	banking	Dec	2,524	84	25,432	305	3.8
406	**Sumitomo Electric Industries Ltd**	Japan	electrical equipment	Mar	2,522	49	2,447	2,354	21.0
407	**Shinsho Corp[6]**	Japan	trading	Mar	2,516	0	1,096	78	1.2
408	**Ube Industries Ltd**	Japan	chemicals & drugs	Mar	2,505	–31	3,504	633	8.7[6]
409	**Bertelsmann Aktiengesellschaft**	Germany	publishing	June	2,503	107	1,300	none[4]	31.6
410	**AEGON Insurance Group**	Netherlands	insurance	Dec	2,497	82	9,114	637	7.3
411	**Daiwa Bank Ltd[6]**	Japan	banking	Mar	2,486	66	53,872	2,370	10.0
412	**Shoko Chukin Bank**	Japan	banking	Mar	2,470	23	37,771	none[4]	7.1
413	**Teijin Ltd**	Japan	textiles	Mar	2,463	60	2,453	1,363	7.2[6]
414	**Saarberg Group**	Germany	energy	Dec	2,456	–28	1,563	none[4]	31.0
415	**Furukawa Electric Co Ltd**	Japan	electrical equipment	Mar	2,446	6	2,843	716	7.8[6]
416	**Klöckner-Werke AG**	Germany	steel	Sept	2,444	1[6]	1,698[6]	209	43.0
417	**Pohang Iron & Steel Co Ltd**	Korea	steel	Dec	2,435	74	3,500	none[4]	15.0
418	**CSR Group**	Australia	multicompany	Mar	2,430	82	2,767	804	14.3
419	**Matsushita Electric Works**	Japan	electrical equipment	Nov	2,425	62	1,553	1,215	15.6
420	**Banco Central Group**	Spain	banking	Dec	2,422	122	48,881	123	27.7

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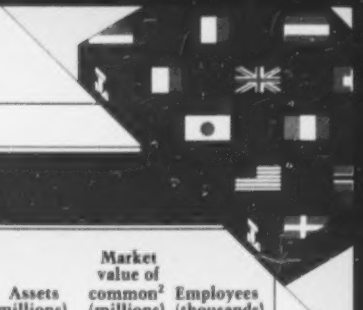

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421	**Tate & Lyle Plc**	UK	food processing	Sept	$2,410	$52	$927	$349	11.5
422	**Kirin Brewery Co Ltd**	Japan	beverages	Jan	2,386	106	2,537	1,942	7.9[6]
423	**Genstar Corp**	Canada	multicompany	Dec	2,365	101	7,880	642	23.0
424	**DG Bank Group**	Germany	banking	Dec[7]	2,353	41	26,442	none[4]	2.4
425	**Kirsh Trading Group Ltd**	South Africa	food distribution	June	2,350	53	732	67	30.0
426	**Bass Plc**	UK	beverages	Sept	2,346	187	2,451	1,815	69.2
427	**Deutsche Babcock Group**	Germany	construction	Sept	2,343	9	1,258	183	22.5
428	**Mitsukoshi Ltd**	Japan	retailing	Feb	2,337	24	1,001	637	12.4[6]
429	**International Thomson Group**	Canada	multicompany	Dec	2,318	131	1,512	1,715	22.0
430	**Hyosung Group**	Korea	multicompany	Dec	2,312	10	2,005	none[4]	23.0
431	**Banque Bruxelles Lambert**	Belgium	banking	Sept	2,312	27	21,400	164	13.2
432	**Canada Packers**	Canada	food processing	Mar	2,312	18	453	255	13.5
433	**Groupe SCREG**	France	construction	Dec	2,309	−1,006	2,136	none[4]	31.0
434	**Burmah Group**	UK	trading	Dec	2,299	55	1,180	364	21.5
435	**Zambia Industrial & Mining Corp**	Zambia	multicompany	Mar	2,297	−1	2,307	none[4]	124.0
436	**Intercom**	Belgium	utility	Dec	2,281	144	4,284	799	9.0
437	**L'Aire Liquide Group**	France	industrial gases	Dec	2,280	114	2,032	1,522	22.0
438	**Koninklijke Nederlandsche Hoogovens**	Netherlands	steel	Dec	2,276	64	1,920	291	28.0
439	**J S Saba Group**	Sweden	retailing	Dec	2,273	14[8]	749	250	18.0
440	**Telefónica**	Spain	communications	Dec	2,273	227	9,649	386	62.8
441	**Iscor Ltd**	South Africa	steel	June	2,264	265	3,145	none[4]	62.6
442	**Trafalgar House Plc**	UK	construction	Sept	2,258	114	1,352	1,123	35.0
443	**Takeda Chemical Industries Ltd**	Japan	chemicals & drugs	Mar	2,246	103	2,784	2,470	13.3
444	**Kinki Nippon Railway Co Ltd**	Japan	transportation	Mar	2,234	45	3,203	1,469	13.0[6]
445	**Kyowa Bank**	Japan	banking	Mar	2,234	55	38,822	1,923	10.8
446	**Daihatsu Motor Co Ltd**	Japan	automotive	June	2,234	23	1,260	523	10.5
447	**Eka Corporation**	Finland	cooperative	Dec	2,231	3	2,068	none[4]	27.1
448	**SAS Group**	Sweden	transportation	Sept	2,229	NA	1,321	none[4]	28.5
449	**Mitsui Trust & Banking Co Ltd**[6]	Japan	banking	Mar	2,225	51	53,411	2,545	5.5
450	**United Biscuits (Holdings) Plc**	UK	food processing	Dec	2,217	79	1,021	728	41.0
451	**Kanebo Ltd**	Japan	textiles	Apr	2,214	9	2,275	579	23.4
452	**Danzas AG**	Switzerland	transportation	Dec	2,213	2[6]	246	none[4]	10.3
453	**Mitsui OSK Lines Ltd**	Japan	transportation	Mar	2,210	9	2,531	613	4.6
454	**Banco di Sicilia**	Italy	banking	Dec	2,206	10	30,559	none[4]	9.2
455	**Toyo Seikan Kaisha Ltd**	Japan	paper & packaging	Mar	2,206	66	1,638	532	13.9
456	**Great-West Life Assurance Co**	Canada	insurance	Dec	2,205	92	6,861	4	4.0
457	**Saitama Bank Ltd**	Japan	banking	Mar	2,202	61	36,345	1,724	8.6
458	**Pioneer Group**	Australia	building products	June	2,191	79	1,502	478	5.0
459	**Nippon Suisan Kaisha Ltd**	Japan	food processing	Mar	2,188	11	1,085	272	4.8
460	**Woolworth Holdings Plc**	UK	retailing	Jan	2,181	112	1,221	545	52.7

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SPECIAL REPORT ON INTERNATIONAL BUSINESS

The 500 largest foreign companies

Rank	Company	Corporate headquarters	Industry	Fiscal year-end	Revenue[1] (millions)	Net income (millions)	Assets (millions)	Market value of common[2] (millions)	Employees (thousands)
461	**Nagase & Co Ltd**	Japan	trading	Mar	$2,180	$20	$968	$346	1.7
462	**SKF Group**	Sweden	industrial equipment	Dec	2,179	120	2,427	501	43.9
463	**Jacobs Suchard Group**	Switzerland	food processing	Dec	2,175	51	795	688	10.6
464	**Toyobo Co Ltd**	Japan	textiles	Apr	2,171	17	1,781	641	17.4
465	**Casino Groupe**	France	food distribution	Dec	2,166	16	833	219	28.0
466	**Lafarge Coppée**	France	building products	Dec	2,160	55	1,966	307	22.5
467	**Oji Paper Co Ltd**	Japan	paper & packaging	Mar	2,154	57	2,026	902	9.4
468	**Hertie Waren U Kaufhaus**	Germany	retailing	Dec	2,139	–51	735	none[4]	33.8
469	**Hawker Siddeley Group**	UK	electrical equipment	Dec	2,138	100	1,918	1,174	41.5
470	**Koa Oil Co Ltd**[6]	Japan	energy	Mar	2,131	5	1,575	228	4.9
471	**Svenska Handelsbanken**	Sweden	banking	Dec	2,129	115[8]	17,499	542	6.1
472	**Panavia Aircraft**	Germany	aerospace & defense	Dec	2,108	0	2,776	none[4]	0.2
473	**Argyll Group Plc**	UK	food distribution	Mar	2,107	35	522	609	31.7
474	**Crownx**	Canada	insurance	Dec	2,105	35	4,331	314	21.6
475	**Oerlikon-Bührle Group**	Switzerland	aerospace & defense	Dec	2,097	6	2,792	616	30.9
476	**VEW-Vereinigte Elektrizitätswerke**	Germany	utility	Dec	2,096	39	4,457	622	7.4
477	**Gustav Schickedanz KG**	Germany	retailing	Jan	2,094	27	627	none[4]	20.3
478	**Norddeutsche Landesbank Group**	Germany	banking	Dec	2,091	14	28,011	none[4]	6.0
479	**Yasuda Fire & Marine Insurance Co**[6]	Japan	insurance	Mar	2,089	39	5,295	1,196	8.7
479	**Petróleos de Portugal**	Portugal	energy	Dec	2,089	3	2,729	none[4]	6.9
481	**Kredietbank NV**	Belgium	banking	Mar	2,084	54	19	305	11.2
482	**Nissan Shatai Co Ltd**[6]	Japan	automotive	Mar	2,078	13	704	221	6.8
483	**AMEV NV**	Netherlands	insurance	Dec	2,077	80	5,988	678	8.6
484	**Japan Development Bank**	Japan	banking	Mar	2,070	260	31,375	none[4]	1.0
485	**Britoil Plc**	UK	energy	Dec	2,069	226	2,357	1,158	2.7
486	**Sumitomo Trust & Banking Co Ltd**[6]	Japan	banking	Mar	2,068	63	57,929	3,302	6.4
487	**Dee Corporation Plc**	UK	food distribution	Apr	2,056	32	509	141	21.9
488	**TELEBRAS-Telecommunicações Brasileiras**	Brazil	communications	Dec	2,053	NA	4,396	905	101.4
489	**Imetal**	France	nonferrous metals	Dec	2,051	18	1,229	88	15.0
490	**Oshawa Group Ltd**	Canada	food distribution	Jan	2,048	27	364	276	15.0
491	**Docks de France**	France	retailing	Dec	2,043	13	533	113	19.8
492	**Littlewoods Organisation Plc**	UK	retailing	Dec	2,043	33	973	none[4]	34.0
493	**Ajinomoto Co**	Japan	food processing	Mar	2,040	55	1,759	2,067	10.6
494	**George Wimpey Plc**	UK	construction	Dec	2,028	17	1,268	377	25.0
495	**GB-Inno-BM**	Belgium	food distribution	Jan	2,026	16	559	147	21.4
496	**Johnson Matthey Plc**	UK	multicompany	Mar	2,025	–8	1,034	100	11.3
497	**Swiss Life Insurance & Pension Co**	Switzerland	insurance	Dec	2,024	268	8,424	none[4]	3.7
498	**PKbanken Group**	Sweden	banking	Dec	2,023	78[8]	16,029	387	3.9
499	**Moore Corp**	Canada	paper & packaging	Dec	2,020	125	1,187	1,338	26.3
500	**Crédit Communal de Belgique**	Belgium	banking	Dec	2,015	16	17,892	none[4]	2.8

[1] Revenue figures are for group or consolidated operations and exclude taxes and duties. [2] As of Dec 31, 1984. [3] Combined market value. [4] Not publicly traded. [5] Figures from latest available balance sheet. [6] Not fully consolidated. [7] Based on current cost accounting. [8] Profit before appropriations adjusted to a 50% tax rate to more closely conform to US accounting. NA: Not available. E: Estimated. P: Preliminary.

General note: Revenue and net income are converted to an average rate of exchange for the fiscal year; assets are converted at fiscal year-end rate. For companies with January, February and March fiscal year-ends, 1984 figures are used when more current data are not available.

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Beecham Group Plc	352
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BICC Plc	360
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BOC Group Plc	341
Boots Co Plc	399
British Aerospace Plc	299
British Airways Plc	255
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British National Oil Corp	50
British Petroleum Co Plc	6
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British Railways Board	245
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British Telecom	68
Britoil Plc	485
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Cadbury Schweppes Plc	375
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100 largest foreign investments in the U.S.

FOREIGN INVESTORS continued to pour money into the U.S. last year—a total of $97.3 billion, up 15% from 1983. Most of it was portfolio investment, particularly purchases of U.S. Treasurys. There was $22.5 billion in foreign direct investments, almost double the amount in 1983.

There were a few blockbuster takeovers of U.S. corporations—Royal Dutch/Shell began acquiring the 31% of Shell Oil Co. it didn't already own and Nestlé bought Carnation Co.—but the number of new foreign direct investments overall declined to 552 from 775 in 1983.

Several factors kept would-be foreign acquirers at bay. First, of course, there was the strong dollar. Second, a dwindling number of undervalued quality companies (FORBES, *June 3, 1983*). Perhaps, too, offshore managers have been chastened by some well-known but less than successful acquisitions in the past—Korvettes (by France's Agache-Willot Group), Howard Johnson (by Britain's Imperial Group), American Motors (by France's Renault) and The Budd Co. (by Germany's Thyssen AG).

The 100 largest foreign investments are held by firms in 20 countries. As has long been the case, Canadians remain the largest foreign investors in the U.S. In 1984 Canadian holdings accounted for 21% of total revenues on this list, vs. 22% for 1983.

Japan remains a minor player with holdings representing less than 7% of total revenues. (Since 20% ownership gives a company effective control, the following table shows total rather than proportional revenues of the companies owned.)

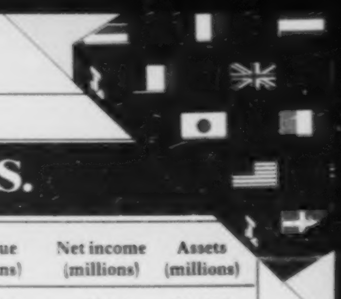
The largest foreign investors in the U.S. form a stable fraternity. Of the 100 firms here, 82 appeared on last year's list. One notable newcomer is Honda Motor Co., ranked 88th. With its aggressive expansion plans for Honda of America, this company is likely to continue climbing the list.

Nestlé's $3 billion purchase of Carnation was the largest acquisition last year outside the oil industry. Other big buys included 35th-ranked Imperial Chemical Industries' acquisition, for $750 million, of Beatrice Chemical from Beatrice Cos. and 43rd-ranked Grand Metropolitan's $124 million takeover of Quality Care, a nursing home operator. U.K.-based Pilkington Brothers jumped 14 rankings to 39th, thanks to strong sales for its 29%-owned Libbey-Owens-Ford.

Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (millions)	Net income (millions)	Assets (millions)
1	**Seagram Co Ltd**[1]	Canada	EI du Pont de Nemours[1]	23	chemicals, energy	$35,764	$1,431.0	$24,098
			Joseph E Seagram & Sons	100	alcoholic beverages	1,684	314.2	5,036
						37,448		
2	**Anglo Amer of S Africa**[1]	South Africa						
	Minerals & Resources[1]	Bermuda	Phibro-Salomon[1]	21	metal trading, brokerage	28,911	212.0	58,370
			Engelhard Corp[1]	29	metals	2,511	46.3	863
			Inspiration Resources (US)[1]	59	mining, chemicals	904	−101.3	1,492
	Charter Consol[1]	UK	National Mine Service[1]	51	mining equipment	109	−3.9	80
						32,435		
3	**Royal Dutch/Shell Group**[1]	Netherlands/ UK	Shell Oil	100	energy	20,701	1,772.0	23,729
			Scallop Corp	100	energy services			
			Billiton Exploration	100	metals	1,250E	NA	NA
			Billiton Metals	100	metals			
			Other companies	100	metals & coal			
						21,951E		
4	**British Petroleum Plc**[1]	UK	Standard Oil Ohio[1]	55	energy	11,692	1,488.0	17,487
			BP North America Inc	100	energy	NA	NA	2,000E
						11,692		
5	**Mitsui & Co Ltd**[1]	Japan						
	Mitsui & Co (USA)	US	Mitsui & Co (USA)	100	trading company	8,922	NA	2,169
			Alumax	45	aluminum	1,974	126.0	1,678
						10,896		
6	**BAT Industries Plc**[1]	UK	BATUS Inc	100	multicompany	5,669	313.5	4,284
	Imasco Ltd[1]	Canada	Peoples Drug Stores	100	drugstores	1,027	NA	NA
			Hardee's Food Systems	100	fast food	1,002	NA	NA
	Eagle Star Holdings	UK	Eagle Star Insurance	100	insurance	42	NA	NA
						7,740		
7	**Flick Group**	Germany	WR Grace[1]	26	multicompany	6,728	195.6	5,328
8	**Nestlé**	Switzerland	Carnation	100	food	3,500E	200	NA
			Nestlé Enterprises	100	food, restaurants	2,700E	NA	NA
			Alcon Laboratories	100	drugs	330	NA	330
						6,530E		

[1] Publicly traded in the U.S. in shares or ADRs. E: Estimate. NA: Not available.

Note: Some foreign investors in the list own U.S. companies indirectly through companies in italics.



100 largest foreign investments in the U.S.

Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (millions)	Net income (millions)	Assets (millions)
9	**Régie Nationale des Usines Renault**	France	American Motors[1]	46	automotive	$4,215	$11.0	$1,830
			Mack Trucks[1]	41	automotive	2,105	64.6	1,174
						6,320		
10	**Tengelmann Group**	Germany	Great A&P Tea[1]	51	supermarkets	5,878	50.8	1,363
11	**Générale Occidentale SA**	France	Grand Union	100	supermarkets	2,529	5.3	NA
	General Oriental	Br W Indies	Crown Zellerbach[1]	25	paper, forest products	3,095	86.9	2,533
						5,624		
12	**Beneficiaries of US Philips Trust**	Netherlands	North American Philips[1]	58	electronics	4,326	130.5	2,518
			Signetics	100	semiconductors	720E	NA	NA
						5,046E		
13	**Brascan Ltd[1]**	Canada	Scott Paper[1]	25	paper products	2,847	187.0	3,322
	Noranda Inc[1]	Canada	Noranda Inc	100	aluminum	1,100	NA	1,238
	MacMillan Bloedel[1]	Canada	MacMillan Bloedel	49	forest products	848	NA	548
						4,795		
14	**Volkswagenwerk AG[1]**	Germany	Volkswagen of America	100	automotive	4,067	103.7	NA
			Royal Business Machines	66	office equipment	500E	NA	NA
						4,567E		
15	**Bayer AG[1]**	Germany	Mobay Chemical	100	chemicals	1,552	73.1	1,170
			Miles Laboratories	100	drugs	1,152	27.6	977
			Helena Chemical	100	chemicals	418	NA	99
			Agfa-Gevaert	100	photography	397	NA	NA
			Other companies	80-100	computers, chemicals	421	25E	350E
						3,940		
16	**Unilever[1]**	Netherlands	Lever Brothers	100	consumer goods	1,804	7.1	NA
			Thomas J Lipton	100	food	1,138	71.0	744
			National Starch & Chem	100	adhesives, starch	843	55.0	542
						3,785		
17	**Elf Aquitaine Group**	France	Elf Aquitaine Inc	100	multicompany	3,053	NA	3,220
			Other companies	60-100	drugs, chems, bldg matls	150E	NA	150E
						3,203E		
18	**Canadian Pacific Ltd[1]**	Canada	Soo Line Corp[1]	56	railroad	325	18.0	600
	Canadian Pacific Enterpr	Canada	Canadian Pacific Enterpr	100	agricultural prods, minerals	1,872	16.5	1,743
	AMCA Ltd	Canada	AMCA US	00	industrial machinery	744	NA	462
						2,941		
19	**Bell Canada Enter[1]**	Canada						
	Northern Telecom Ltd[1]	Canada	Northern Telecom Inc	100	telecommunications	2,161	NA	NA
	Trans Canada Pipeline[1]	Canada	Northern Border Pipeline	30	gas transmission	307	67.9	1,246
			Great Lakes Transmission	50	gas transmission	294	27.6	385
						2,762		
20	**Midland Bank Plc**	UK	Crocker National Bank	100	banking	2,677	–324.4	22,322
21	**Mitsubishi Corp[1]**	Japan	Mitsubishi Intl Corp	100	trading company	2,651	NA	NA
22	**Hongkong & Shanghai Banking Corp[1]**	Hong Kong	Marine Midland Banks[1]	51	banking	2,603	106.5	22,056
23	**AEGON NV**	Netherlands	Life Investors[1]	72	insurance	715	35.1	1,917
			National Old Line	100	insurance	100E	NA	NA
	Crownx	Canada	Crownx	100	insurance	1,025E	NA	NA
			Crown Life	94	insurance	706	NA	NA
						2,546E		
24	**Schlumberger NV[1]**	Neth Antilles	Schlumberger Technology	100	oilfield svcs, electronics	2,474	NA	2,979

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100 largest foreign investments in the U.S.

Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (millions)	Net income (millions)	Assets (millions)
25	**Ciba-Geigy Ltd**	Switzerland	Ciba-Geigy Corp	100	chemicals, drugs	$2,284	NA	NA
			Ilford	100	photography	54	NA	NA
						2,338		
26	**Franz Haniel & Cie**	Germany	Scrivner Inc	100	food distribution	2,300	$14.5	$450
27	**Nippon Kokan[1]**	Japan	National Steel	50	steel	2,293	20.8	1,733
28	**Total CFP**	France						
	Total Petrol NA Ltd[1]	Canada	Total Petroleum Inc	100	energy	2,227	6.8	824
29	**BASF AG[1]**	Germany	BASF Wyandotte	100	chemicals	1,185	34.1	715
			Badische Corp	100	chemicals, fibers	709	32.8	518
			BASF Systems	100	audio & video media	129	−12.7	105
			Fritzsche Dodge & Olcott	100	flavors & fragrances	70	0.5	120
			Knoll Pharmaceutical	100	drugs	88	9.2	28
						2,181		
30	**Petrofina SA**	Belgium	American Petrofina[1]	81	energy	2,126	45.1	1,706
31	**Crédit Suisse**	Switzerland	First Boston[1]	34	investment banking	2,015	79.6	25,296
32	**Delhaize "Le Lion" SA**	Belgium	Food Lion[1]	51	supermarkets	1,470	37.3	331
			Food Giant	100	supermarkets	536	−3.6	65
						2,006		
33	**George Weston Ltd[1]**	Canada	Eastern Fine Paper	100	paper products	433	NA	432
			Interbake Inc	100	bakery			
			Stroehmann Bakeries	100	bakery			
	Loblaw Cos[1]	Canada	Peter J Schmitt	100	food wholesaling	1,564	NA	
			National Tea	100	supermarkets			
						1,997		
34	**Hanson Trust Plc[1]**	UK	Hanson Industries	100	consumer goods, food	1,951	NA	NA
35	**Imperial Chemical Industries Plc[1]**	UK	ICI Americas	100	chemicals & drugs	1,500E	NA	NA
			Beatrice Chemical	100	chemicals	367	NA	NA
						1,867E		
36	**Ultramar Plc[1]**	UK	Ultramar America Ltd	100	energy	1,797	NA	570
37	**Dalgety Plc**	UK	Martin-Brower Co	100	distribution	1,783	NA	275
			Modern Maid Food	100	food products			
			Pig Improvement Co	100	pig breeding			
38	**Hoechst AG[1]**	Germany	American Hoechst	100	chemicals	1,760	53.2	1,261
39	**Pilkingten Brothers Plc**	UK	Libbey-Owens-Ford[1]	29	glass	1,756	70.6	1,071
40	**Barclays Plc**	UK	Barclays American Corp	100	financial services	487	30.1	3,024
			Barclays Bank NY	100	banking	1,166	7.0	10,728
			Barclays Bank Calif	100	banking			
						1,653		
41	**Rio Tinto-Zinc Plc[1]**	UK	US Borax & Chemical	100	chemicals	380E	NA	NA
	RTZ Pillar Ltd	UK	Indal US[1]	57	building products	397	NA	219
			Other companies	100	mining, chemicals	841	NA	773
						1,618E		
42	**Siemens AG[1]**	Germany	Siemens Communication	100	telecommunications	1,600	NA	NA
			Siemens Components	100	electronic components			
			Siemens Medical Systems	100	medical equipment			
			Siemens-Allis	100	power engineering			
			Other companies	100	communications			

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100 largest foreign investments in the U.S.

Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (millions)	Net income (millions)	Assets (millions)
43	**Grand Metropolitan Ltd[1]**	UK	GrandMet USA Quality Care	100 100	multicompany home health care	$1,448 130E 1,578E	$103.0 NA	$1,290 28
44	**Alcan Aluminium Ltd[1]**	Canada	Alcan Aluminum	100	aluminum	1,576	33.3	999
45	**Thyssen Group**	Germany	Budd Co	100	auto parts, RR equipment	1,527	NA	NA
46	**Commercial Union Assurance Plc**	UK	Commercial Union Ins	100	insurance	1,503	–184.0	2,472
47	**BTR Plc[1]**	UK	BTR Inc	100	energy, industrial equip	1,500E	NA	NA
48	**Royal Insurance Plc**	UK	Royal USA	100	insurance	1,474	–102.0	2,582
49	**Ahold NV[1]**	Netherlands	BI-LO Giant Food Stores	100 100	supermarkets supermarkets	1,011 429 1,440	NA NA	NA NA
50	**Alusuisse**	Switzerland	Consolidated Aluminum Maremont Lonza Boxal Heyward Robinson	100 100 100 100 100	aluminum auto parts aluminum, electrodes aerosol cans construction	600E 490 327 1,417E	–48.9	910
51	**Moore Corp Ltd[1]**	Canada	Moore Business Forms	100	business forms	1,403	66.1	747
52	**Consolidated Gold Fields Plc[1]**	UK	Newmont Mining[1] Gold Fields American	26 100	mining natural resources	770 553 1,323	37.2 5.2	2,133 923
53	**Henkel KGaA**	Germany	Clorox[1] Henkel Corp Amchem Products	23 100 100	household products chemicals chemicals	975 308 1,283	80.0 NA	701 387
54	**Daimler-Benz Group[1]**	Germany	Freightliner	100	automotive	1,282	NA	NA
55	**Vendex International**	Netherlands	Dillard Dept Stores[1]	44	retailing	1,277	49.6	748
56	**Power Corp of Canada**	Canada	Great-West Life Assurance	98	insurance	1,205	53.0	3,706
57	**Manufacturers Life Insurance**	Canada	Manufacturers Life Ins	100	insurance	1,200E	NA	6,333
58	**Saint-Gobain[1]**	France	CertainTeed Corp[1]	57	building supplies	1,190	43.5	760
59	**The BOC Group Plc[1]**	UK	The BOC Group, Inc Mountain Medical Equip[1]	100 52	gases medical equipment	1,145 33 1,178	26.7 1.8	1,688 NA
60	**Republic Holding SA**	Luxembourg	Republic NY Corp[1]	54	banking	1,131	96.5	12,382
61	**Genstar Ltd[1]**	Canada	Genstar USA Genstar Mortgage	100 100	bldg materials, RE dev financial services	979 141 1,120	NA NA	1,225 450
62	**General Electric Plc[1]**	UK	AB Dick Picker International	100 80	office equipment medical equipment	400E 700E 1,100E	NA NA	NA NA
62	**Kuwait Petroleum**	Kuwait	Santa Fe Intl (KPC)	100	energy	1,100	NA	4,800

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SPECIAL REPORT ON INTERNATIONAL BUSINESS

100 largest foreign investments in the U.S.

Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (millions)	Net income (millions)	Assets (millions)
62	**Beecham Group Plc[1]**	UK	Beecham	100	drugs, consumer products	$1,100	NA	$920
			Beecham Cosmetics	100	cosmetics, fragrances			
			Beecham Home Improve	100	home improvement			
65	**Canada Development Corp**	Canada	Savin Corp[1]	65	office equipment	413	$-23.6	362
			Other companies	100	energy	669	NA	NA
						1,082		
66	**Northern Foods Plc**	UK	Bluebird Inc	100	meat products	1,068	NA	211
			Keystone Foods	80	meat and poultry			
67	**Akzo NV[1]**	Netherlands	Akzo American Enka	100	chemicals, fibers	455	NA	NA
			International Salt	100	salt	165	NA	NA
			Other companies	100	drugs, chemicals	440	NA	NA
						1,060		
68	**Montedison Group**	Italy	Himont	50	chemicals	909	73.1	661
			Erbamont	100	pharmaceuticals	142	3.5	160
						1,051		
69	**General Accident Fire & Life Plc**	UK	Gen Accident Ins Amer	100	insurance	1,024	50.5	2,265
			Camden Fire Insurance	100	insurance			
			Penn General Insurance	100	insurance			
			Potomac Ins of Illinois	100	insurance			
70	**Roche/Sapac**	Switzerland	Hoffmann-La Roche	100	drugs, chemicals	1,000E	NA	NA
71	**United Biscuits (Holdings) Plc**	UK	Keebler	100	bakery	912	26.7	272
			Specialty Brands	100	food products	86	4.5	24
						998		
72	**Sandoz Ltd**	Switzerland	Sandoz United States Inc	100	multicompany	996	NA	NA
73	**TBG Netherlands**	Netherlands	InCon Packaging Inc	100	containers	333	NA	NA
			Electrical Sciences Inc	100	electrical products	275	NA	NA
			Sterling Fluid Prods Inc	100	pumps	195	NA	NA
			Metalink	100	metal products	103	NA	NA
			Info Technology Group	100	electronic information	80	NA	NA
						986		
74	**Bank of Tokyo Ltd[1]**	Japan	California First Bank[1]	77	banking	541	21.4	5,002
			Bank of Tokyo Trust	100	banking	440	21.4	5,085
						981		
75	**Winterthur Swiss Insurance**	Switzerland	Republic Finl Services	100	insurance	947	8.6	1,023
76	**Olympia & York Developments Ltd**	Canada	Landmark Land[1]	25	recreation	217	11.6	1,219
			Rouse[1]	20	property dev, banking	199	38.6	800
			Trizec Corp Ltd[1]	37	property development	173	NA	NA
	Abitibi-Price[1]	Canada	Abitibi-Price	100	forest products	356	NA	180
						945		
77	**Six European Banks**	6 countries	European Amer Bancorp	100	banking	934	-132.8	7,519
78	**National Westminster Bank Plc**	UK	Natl Westminster Bank US	100	banking	902	40.1	8,727
79	**Swiss Reinsurance Co**	Switzerland	SwissRe Life Insurance	100	insurance	313	-24.9	697
			North Am Reinsurance	100	insurance	247	-37.2	810
			North Am Reassurance	100	insurance	159	1.2	479
			Other companies	100	insurance	166	1.4	474
						885		

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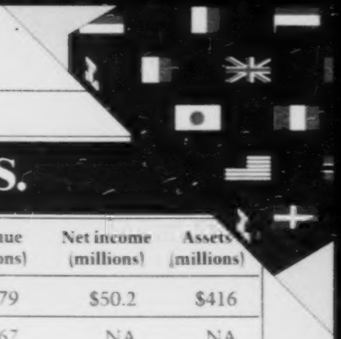

100 largest foreign investments in the U.S.

Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (millions)	Net income (millions)	Assets (millions)
80	**Electrolux AB[1]**	Sweden	Dometic Inc	100	appliances	$879	$50.2	$416
81	**Volvo AB[1]**	Sweden	Volvo White Truck	100	automotive	667	NA	NA
			Hamilton Oil Corp[1]	49	energy	208	16.9	825
						875		
81	**Sun Life Assurance Co of Canada**	Canada	Sun Life (US)	100	insurance			
			Suncan Equity Services	100	financial services	525	−26.2	1,308
			Sun Benefit Services	100	financial services			
			Mass Financial Services	100	financial services	350E	NA	NA
						875E		
83	**Nationale-Nederlanden**	Netherlands	Nationale-Nederlanden US	100	insurance	866	35.4	2,439
84	**Standard Chartered Bank Group**	UK	Union Bank	100	banking	851	44.4	7,971
85	**Ivaco**	Canada	Laclede Steel[1]	51	steel	232	6.5	157
			Atlantic Steel	100	steel			
			Capitol Wire & Fence	100	steel	605	NA	426
			Niagara Lockport	100	paper, clothing			
			Other companies	86-100	steel			
						837		
86	**Fujitsu Ltd[1]**	Japan	Amdahl Corp[1]	47	electronics	779	36.4	895
87	**Imperial Group Plc[1]**	UK	Howard Johnson	100	hotels, restaurants	765	NA	NA
			Lea & Perrins	100	food	NA	NA	NA
						765		
88	**Honda Motor Co Ltd**	Japan	Honda of America Mfg	100	automotive	750E	NA	NA
88	**J Sainsbury Plc[1]**	UK	Shaw's Supermarkets	21	supermarkets	750E	NA	NA
90	**Lama Holdings**	Mideast	Smith Barney	23	financial services	741	NA	NA
91	**Otto Versand**	Germany	Spiegel Inc	100	catalog retailing	721	2.0	597
92	**The Sobey Parties**	Canada	Hannaford Brothers[1]	25	food distribution	707	11.3	201
93	**IFI International SA**	Luxembourg	Moog Automotive	100	auto parts			
			Chicago Rawhide	100	auto parts			
			Income International	100	industrial components	700E	NA	NA
			Hercules Cement	46	cement			
			River Cement	46	cement			
94	**Jefferson Smurfit Group Ltd**	Ireland	Jefferson Smurfit Corp[1]	78	packaging	678	24.5	342
95	**Fuji Bank Ltd[1]**	Japan	Walter E Heller & Co	100	finance	442	−181.9	3,056
			Fuji Bank & Trust Co	100	banking	227	10.1	2,423
						669		
96	**Canadian Imperial Bank of Commerce[1]**	Canada	Canadian Imperial Bank of Commerce	100	banking	650E	NA	6,150E
97	**Cadbury Schweppes[1]**	UK	Cadbury Schweppes US	100	food	649	49.3	NA
98	**IDB Bankholding Corp Ltd**	Israel	Israel Discount Bank NY	100	banking	391	16.0	3,702
			Elron Electronic Ind[1]	32	high-tech equipment	121	11.0	168
			Scitex Corp[1]	36	computer imaging systems	108	12.0	206
			PEC Israel Economic Corp[1]	83	finance	23	8.1	144
						643		
99	**Promodes**	France	Red Food Stores	100	supermarkets	408	11.9	NA
			Houchens	100	supermarkets	212		NA
						620		
100	**Syntex[1]**	Panama	Syntex	100	drugs	619	NA	510

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SPECIAL REPORT ON INTERNATIONAL BUSINESS

The 100 largest U.S. multinationals

IT TOOK SKILL and some sharp currency hedging for a multinational to increase its foreign income over the previous year. Half of the 100 largest U.S. multinationals, overcoming the strength of the dollar, managed to do so. The top 100 firms as a whole show a 6% increase in total operating profit. Their foreign profits, however, rose only 2.3%.

While the dollar did fluctuate some, its occasional weakness was never enough to help U.S. goods regain a competitive edge in overseas markets. At the same time, imports came in at a record clip—$341 billion—giving U.S. multinationals stiff competition right in their own backyards.

Once again Exxon takes first place among multinationals. As oil is priced in U.S. dollars internationally, the currency's strength tended to limit oil demand in foreign markets. Nevertheless, foreign revenues of $63 billion made up 69.4% of Exxon's total revenues last year, only a shade below the overseas quotient of 1983.

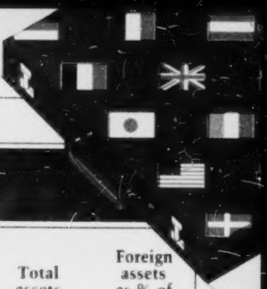
The four largest multinationals are oils, and only Exxon shows a one-year gain in foreign revenues. Thanks to its acquisition of Gulf, Chevron moved from 9th to 4th place in foreign revenues. But the table shows Chevron's estimated foreign profit was $467 million lower than the combined foreign profits of the two separate entities last year. This is because the profits reported for Gulf were only for eight months and reflected accounting adjustments and the costs of the acquisition. Du Pont, with worldwide chemical business as well as an oil company, Conoco Inc., showed a drop in foreign aftertax operating income from $436 million to $358 million.

Gone from the list of the top 100 is Charter Co., which entered Chapter 11 in 1984. Others missing include Continental Group (ranked 92nd last year), which was taken private, and Carnation Co., which was acquired by Switzerland's Nestlé. Texaco, which acquired Getty last year, remains in 3rd place. Newcomers to the top 100 list include InterNorth, a gas pipeliner with global operations, and Cigna, the Philadelphia-based insurance company that provides coverage worldwide.

The global corporations listed here have a big stake in Europe, but the world is turning. The outlook improved for companies with large stakes in Canada, where economic expansion is getting strong support from the new Conservative government of Prime Minister Brian Mulroney. And with efforts under way to reduce Japanese trade barriers, there is at least tentative ground for hope that the percentage of large multinational sales coming from Japan's still strong economy should gradually increase in coming years.

Rank	Company	Foreign revenue (millions)	Total revenue (millions)	Foreign revenue as % of total	Foreign operating profit (millions)	Total operating profit (millions)	Foreign operating profit as % of total	Foreign assets (millions)	Total assets (millions)	Foreign assets as % of total
1	**Exxon**	$63,042	$90,854	69.4%	$3,082	$5,561	55.4%	$27,198	$63,278	43.0%
2	**Mobil**	31,900[1]	57,029[1]	55.9	990[2]	1,268[2]	78.1	17,249	41,851	41.2
3	**Texaco**	23,729	47,334	50.1	787[3]	1,709[3]	46.1	11,372	37,744	30.1
4	**Chevron**[4]	20,964[5]	53,903	38.9	892[2]	1,534[2]	58.1	13,757	44,034	31.2
5	**IBM**	18,536	45,937	40.4	2,592[2]	6,582[2]	39.4	15,464	42,808	36.1
6	**Phibro-Salomon**	17,300	28,911	59.8	233[2]	212[2]	109.9	5,300	58,370	9.1
7	**Ford Motor**	15,578	52,366	29.7	516[2]	2,907[2]	17.8	13,022	27,486	47.4
8	**General Motors**	14,534	83,890	17.3	627[2]	4,517[2]	13.9	11,065	52,001	21.3
9	**EI du Pont de Nemours**	11,429	35,764	32.0	358[3]	1,676[3]	21.4	6,984	24,098	29.0
10	**Citicorp**	10,200[5]	20,494	49.8	456[2]	890[2]	51.2	76,642[6]	142,631[6]	53.7
11	**ITT**[4]	7,307	19,553	37.4	560	728	76.9	9,041	31,341	28.8
12	**Dow Chemical**	6,125	11,418	53.6	469	848	55.3	5,246	11,419	45.9
13	**BankAmerica**	5,947	14,397	41.3	148[2]	346[2]	42.8	43,991[6]	120,187[6]	36.6
14	**Chase Manhattan**	5,472	9,881	55.4	107[2]	406[2]	26.4	42,740	86,883	49.2
15	**Amoco**	5,300[1,5]	27,453[1]	19.3	920[2]	2,183[2]	42.1	6,370	25,734	24.8
16	**Safeway Stores**	4,599	19,642	23.4	81[2]	185[2]	43.8	1,087	4,537	24.0
17	**Occidental Petroleum**	4,068[1]	16,238[1]	25.1	305[2]	569[2]	53.6	2,588	12,273	21.1
18	**JP Morgan**	3,803	6,562	58.0	289[2]	538[2]	53.7	31,666	64,126	49.4
19	**Procter & Gamble**	3,737	12,946	28.9	125[2]	890[2]	14.0	1,740	8,898	19.6
20	**General Electric**	3,648[1]	28,936[1]	12.6	209[2]	2,280[2]	9.2	3,971	24,730	16.1

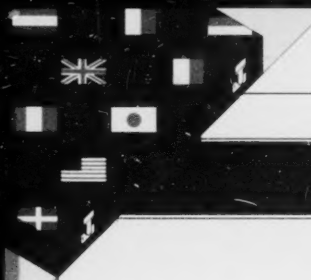
[1] Includes other income. [2] Net income. [3] Operating income after taxes. [4] Includes proportionate interest in unconsolidated subsidiaries or investments. [5] Estimate. [6] Average assets. [7] Profit before interest and after taxes. [8] Income from continuing operations. [9] Includes U.S. exports. [10] Pretax income. [11] Continuing operations before taxes. [12] Excludes Canada. [13] Profit before equity in net income of unconsolidated subsidiaries. D-P: Deficit over profit. P-D: Profit over deficit. NA: Not available.
General note: 1985 data were used for those February and March companies that reported before press time.



The 100 largest U.S. multinationals

Rank	Company	Foreign revenue (millions)	Total revenue (millions)	Foreign revenue as % of total	Foreign operating profit (millions)	Total operating profit (millions)	Foreign operating profit as % of total	Foreign assets (millions)	Total assets (millions)	Foreign assets as % of total
21	**United Technologies**	$3,424	$16,332	21.0%	$152[2]	$645[2]	23.6%	$2,809	$9,905	28.4%
22	**Sun Co**	3,321[1]	14,745[1]	22.5	63[7]	641[7]	9.8	2,812	12,789	22.0
23	**Xerox[4]**	3,207	11,609	27.6	170[2]	251[2]	67.7	3,564	15,406	23.1
24	**Eastman Kodak**	3,186	10,600	30.1	114	1,547	7.4	2,927	10,771	27.2
25	**Goodyear**	3,149	10,241	30.7	238	884	26.9	2,145	6,194	34.6
26	**Manufacturers Hanover**	3,116	8,315	37.5	103[2]	353[2]	29.2	27,952	75,714	36.9
27	**Phillips Petroleum**	3,070	15,537	19.8	1,239	2,495	49.7	2,969	16,965	17.5
28	**Sears, Roebuck**	2,943	38,828	7.6	6[2]	1,323[2]	0.5	1,881	57,073	3.3
29	**Coca-Cola**	2,798	7,364	38.0	588	1,058	55.6	1,510	5,958	25.3
30	**Beatrice**	2,763	12,595	21.9	95[2]	479[2]	19.8	1,535	10,379	14.8
31	**American Express**	2,760	12,895	21.4	332	965	34.4	15,841	61,848	25.6
32	**Union Carbide**	2,742	9,508	28.8	298	973	30.6	3,050	10,518	29.0
33	**Bankers Trust New York**	2,676	4,834	55.4	179[2]	307[2]	58.3	24,777	45,208	54.8
34	**Pan Am Corp**	2,645	3,685	71.8	165	–95	P-D	NA	2,645	NA
35	**Dart & Kraft**	2,630	9,759	26.9	328	974	33.7	1,266	5,285	24.0
36	**Colgate-Palmolive**	2,567	4,910	52.3	168	349	48.1	987	2,568	38.4
37	**CPC International**	2,558	4,373	58.5	233	402	58.0	1,565	2,683	58.3
38	**Allied Corp**	2,543	10,734	23.7	225[8]	487[8]	46.2	1,784	8,189	21.8
39	**Hewlett-Packard**	2,517[9]	6,044	41.6	276[10]	860[10]	32.1	1,538	5,153	29.8
40	**Minn Mining & Mfg**	2,515	7,705	32.6	340	1,286	26.4	1,652	6,094	27.1
41	**Johnson & Johnson**	2,389	6,125	39.0	209[2]	515[2]	40.6	1,644	4,541	36.2
42	**Chrysler**	2,333	19,573	11.9	243[11]	2,430[11]	10.0	1,389	9,063	15.3
43	**Nabisco Brands**	2,303	6,253	36.8	201	579	34.7	1,480	3,761	39.4
44	**FW Woolworth**	2,269	5,737	39.6	119	354	33.6	931	2,311	40.3
45	**Chemical New York**	2,172	5,857	37.1	190[2]	341[2]	55.7	19,973	52,236	38.2
46	**Tenneco**	2,167	14,890	14.6	208	1,601	13.0	2,437	18,205	13.4
47	**InterNorth**	2,112	7,510	28.1	90	582	15.5	1,125	6,122	18.4
48	**GTE**	2,068	14,547	14.2	51[2]	1,080[2]	4.7	3,443	26,364	13.1
49	**Burroughs**	1,969[1]	4,876[1]	40.4	402	557	72.2	1,537	4,504	34.1
50	**American Intl Group**	1,967[12]	4,281	45.9	297[12]	291	102.1	4,702[12]	11,625	40.4
51	**Digital Equipment**	1,956	5,584	35.0	262	395	66.3	1,986	5,593	35.5
52	**RJ Reynolds Inds**	1,952	9,915	19.7	249[11]	1,619[11]	15.4	1,504	9,272	16.2
53	**Atlantic Richfield**	1,932	23,768	8.1	43[2]	567[2]	7.6	2,045	22,130	9.2
54	**American Brands[4]**	1,892	5,333	35.5	169	892	18.9	1,313	7,746	17.0
55	**Motorola**	1,870	5,534	33.8	173	571	30.3	950	4,194	22.7
56	**Unocal**	1,834[1]	10,980[1]	16.7	186[2]	700[2]	26.6	1,573	10,203	15.4
57	**NCR**	1,819	4,074	44.6	272	599	45.4	1,179	3,589	32.9
58	**Monsanto**	1,777	6,691	26.6	252	677	37.2	1,312	6,373	20.6
59	**K mart[4]**	1,747	22,076	7.9	31[2]	499[2]	6.2	666	9,450	7.0
60	**General Foods**	1,741	9,022	19.3	114	702	16.2	789	4,554	17.3

[1] Includes other income. [2] Net income. [3] Operating income after taxes. [4] Includes proportionate interest in unconsolidated subsidiaries or investments. [5] Estimate. [6] Average assets. [7] Profit before interest and after taxes. [8] Income from continuing operations. [9] Includes U.S. exports. [10] Pretax income. [11] Continuing operations before taxes. [12] Excludes Canada. [13] Profit before equity in net income of unconsolidated subsidiaries. D-P: Deficit over profit. P-D: Profit over deficit. NA: Not available. *General note*: 1985 data were used for those February and March companies that reported before press time.



The 100 largest U.S. multinationals

Rank	Company	Foreign revenue (millions)	Total revenue (millions)	Foreign revenue as % of total	Foreign operating profit (millions)	Total operating profit (millions)	Foreign operating profit as % of total	Foreign assets (millions)	Total assets (millions)	Foreign assets as % of total
61	**Pfizer**	$1,704	$3,855	44.2%	$316	$875	36.1%	$1,492	$4,047	36.9%
62	**Bank of Boston**	1,657	3,225	51.4	6[2]	164[2]	3.7	7,850[6]	20,819[6]	37.7
63	**Texas Instruments**	1,655	5,742	28.8	287[10]	486[10]	59.1	1,118	3,423	32.7
64	**Trans World Airlines**	1,607	3,657	43.9	157[10]	34[10]	461.8	843	2,879	29.3
65	**First Chicago**	1,605	4,526	35.5	–27[2]	86[2]	D-P	2,747	39,846	32.0
66	**Sperry**	1,595	5,687	28.0	256	517	49.5	1,323	5,773	22.9
67	**Halliburton**	1,588	5,445	29.2	154	498	30.9	1,539	5,352	28.8
68	**Honeywell**	1,559	6,074	25.7	108[2]	239[2]	45.2	1,527	4,760	32.1
69	**Merck**	1,545	3,560	43.4	218	802	27.2	1,781	4,591	38.8
70	**Continental Illinois**	1,413	4,091	34.5	–229[2]	–1,087[2]	21.1	10,400[5]	30,413	34.2
71	**HJ Heinz**	1,398	3,954	35.4	163	454	35.9	861	2,343	36.7
72	**Alcoa[4]**	1,390	6,480	21.5	37[13]	516[13]	7.2	2,519	7,480	33.7
73	**Sara Lee**	1,388	7,000	19.8	74[10]	322[10]	23.0	826	2,822	29.3
74	**Scott Paper[4]**	1,316	3,836	34.3	15[2]	187[2]	8.0	1,191	4,082	29.2
75	**Signal Cos**	1,302	6,005	21.7	94	262	35.9	484	5,511	8.8
76	**WR Grace**	1,270	6,728	18.9	202	582	34.7	748	5,328	14.0
77	**Bristol-Myers**	1,264	4,189	30.2	225	809	27.8	854	3,249	26.3
78	**Warner-Lambert**	1,257	3,167	39.7	305	523	58.3	818	2,900	28.2
79	**Caterpillar Tractor**	1,244	6,576	18.9	–22	100	D-P	1,109	6,223	17.8
80	**Cigna**	1,223	14,775	8.3	–38	–43	88.4	3,977	39,035	10.2
81	**Philip Morris**	1,220	10,138	12.0	131	2,280	5.7	1,444	9,339	15.5
82	**Amerada Hess**	1,211	8,277	14.6	116[2]	170[2]	68.2	1,557	6,353	24.5
83	**Gillette**	1,186[12]	2,289	51.8	190[12]	352	54.0	920[12]	2,024	45.5
84	**Deere**	1,182	4,399	26.9	37	193	19.2	886	5,697	15.6
85	**Control Data**	1,179	5,027	23.5	138	140	98.6	1,807	9,589	18.8
86	**Avon Products**	1,174	3,141	37.4	200	376	53.2	660	2,438	27.1
87	**American Cyanamid**	1,170	3,857	30.3	81[2]	216[2]	37.5	721	3,327	21.7
88	**TRW**	1,141	6,062	18.8	92	548	16.8	790	3,481	22.7
89	**Firestone**	1,132	4,001	28.3	141	170	82.9	823	2,271	36.2
90	**Hercules[4]**	1,082	3,197	33.8	135	291	46.4	929	2,688	34.6
91	**Fluor**	1,080	4,401	24.5	61	117	52.1	750	3,892	19.3
92	**Kimberly-Clark**	1,070	3,616	29.6	55[2]	218[2]	25.2	994	3,173	31.3
93	**American Home Products**	1,050	4,486	23.4	243	1,175	20.7	573	3,033	18.9
94	**SmithKline Beckman**	1,029	2,949	34.9	205[11]	705[11]	29.1	810	3,194	25.4
95	**Irving Bank**	1,028	2,143	48.0	48[2]	98[2]	49.0	9,300[5]	18,982	49.0
96	**Eli Lilly**	1,006	3,109	32.4	150[10]	771[10]	19.5	975	3,644	26.8
97	**Quaker Oats**	1,001	3,344	29.9	69	326	21.2	525	1,807	29.1
98	**Continental Corp**	1,000	4,641	21.5	–11	–25	44.0	2,213	9,852	22.5
99	**Security Pacific**	993	5,134	19.3	36[2]	291[2]	12.4	9,531	46,117	20.7
100	**PepsiCo**	992	7,699	12.9	38	799	4.8	716	4,950	14.5

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100 U.S.-traded foreign stocks

The 100 stocks listed in the table below are foreign issues widely traded in the U.S. Some, like Honda Motor and Sony, are already household names. But there are more fundamental reasons to be interested in foreign stocks. Since the U.S. accounts for only half of the world's capitalization, investors need offshore investments to be fully diversified. And with some exceptions, such as Japan and West Germany, most foreign stock markets have average P/E ratios well below the U.S.' 12.8.

Foreign stock markets have been hot lately. Japan's hit a new high at the end of June. Indeed, all of the world's largest foreign markets reached record highs within recent months.

The strength of the U.S. dollar, of course, greatly affected results for U.S. investors. British shares rose 26% in pounds last year, but, alas, a U.S. owner would have seen almost all that gain vanish as the pound dropped against the dollar.

Some observers think the going will still be good, provided the U.S. can maintain modest growth and there is some depreciation of the dollar. "You're going to see faster rates of corporate profit growth outside the U.S. in 1985," says Henry de Vismes, vice president of the international mutual fund Transatlantic Fund, Inc.

"I've found that the foreign stocks aren't as well picked over as the American stocks," says asset-player David Nadel, a trader with New York City-based Carr Securities. "There are tremendous opportunities overseas."

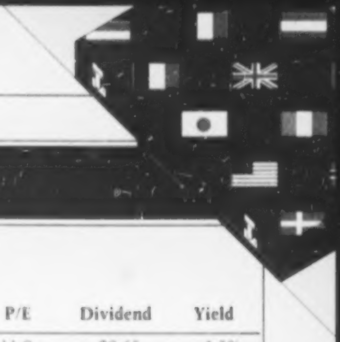
Foreign shares often carry more risk than U.S. securities. Other countries don't have the same accounting standards, making comparisons difficult. Financial data is often hard to get.

Some investors like foreign stocks at the moment because they think the dollar will fall. Consider the example of the London market given above. Had the dollar weakened 10% against the pound, that 26% increase in British stocks would have been leveraged to a 39% gain in dollars. But remember that a lot of money has been lost in bets against the dollar.

Buying foreign shares is not as difficult as it may seem. Our table lists firms—like Schlumberger, Royal Dutch Petroleum and Benguet—that are listed for trading on U.S. exchanges, as well as those—like Courtaulds, Bowater and Canon—that trade here in the form of American Depositary Receipts. ADRs are issued by banks that hold the corresponding shares in banks overseas and are claims of ownership rather than actual stock certificates. More timid investors can pick from dozens of mutual funds that specialize in foreign stocks.

Exch	Company/business	Corporate headquarters	Price recent	52-week high	low	Latest 12-mos EPS	P/E	Dividend	Yield
o	**Advanced Semi Mtls**/eq to mfr semicon	Netherlands	10¼	25¾–	9¾	$0.43	23.8	$0.00	–
a	**Alliance Tire & Rubber**/tire and rubber	Israel	2½	3½–	2	–1.05	NM	0.00	–
a	**American Israeli Paper Mills Ltd**/paper products	Israel	6¾	8 –	4	1.73	3.7	0.00	–
o	**Aneco Reinsurance Ltd**/insurance	Bermuda	1½	2¾–	1	–2.09	NM	0.00	–
o	**•Anglo American Cp S Africa**/gold, diamonds	South Africa	14⅝	18⅛–	10⅛	2.84[1]	5.1	0.56	3.8%
o	**•Anglo American Gold Inv**/investment co	South Africa	8	11⅝–	7¾	0.91[1]	9.7	0.43	4.9
n	**ASA Ltd**/closed-end invest co	South Africa	50	61⅛–	44⅜	NA	NA	2.00	4.0
a	**Atlas Cons Mining & Devel**/copper and gold	Philippines	⅞	1⅞–	⅝	–0.61	NM	0.00	–
n	**•Banco Central SA**/bank	Spain	9⅝	10½–	8⅝	1.19	8.1	0.52	5.4
a	**•BAT Industries Ltd**/tobacco	UK	4⅛	4½–	2¾	0.62	6.7	0.13	3.2
o	**•Beecham Group Plc**/drugs, food processing	UK	4⅛	5 –	3⅝	0.33	12.5	0.14	3.4
n	**Benguet**/gold and copper, machinery	Philippines	4⅝	6½–	3¼	0.24	19.3	0.15	3.2
o	**•Blyvooruitzicht Gold Mining**/gold, uranium	South Africa	6⅝	13⅞–	6	1.89	3.5	0.82	12.3
o	**•Bowater Inds Plc**/paper prods	UK	3⅜	3¾–	⅞	0.72[1]	4.7	0.13	3.9
o	**Brilund Ltd**/oil and gas explor	Australia	1	3 –	¼	–0.09	NM	0.00	–
n	**•British Petroleum Ltd**/integrated oil	UK	27⅛	29 –	21⅛	3.89	7.0	1.88	6.9
n	**•British Telecommunications Plc**/telecomm	UK	17¾	21¼–	9½	1.87	9.5	0.00	–
o	**•Broken Hill Proprietary**/iron, oil	Australia	8⅛	9 –	6	1.41	5.8	0.27	3.3
o	**•Buffelsfontein Gold Mining Ltd**/gold, uranium	South Africa	37⅝	59 –	30⅛	12.64	3.0	3.15	8.4
o	**•Burmah Oil Plc**/oil	UK	3	3¾–	2	0.32	10.1	0.14	4.3

a: American Stock Exchange. n: New York Stock Exchange. o: Over-the-counter. •American Depositary Receipts. NA: Not applicable. NM: Not meaningful.
[1] 1983 EPS.



100 U.S.-traded foreign stocks

Exch	Company/business	Corporate headquarters	Price recent	52-week high	52-week low	Latest 12-mos EPS	P/E	Dividend	Yield
o	•**Cadbury Schweppes Plc**/food processing	UK	20	21	16⅝	$1.82	11.0	$0.65	3.3%
o	•**Canon**/precision instruments	Japan	21⅞	32¼	18¼	1.18	18.5	0.20	0.9
n	**Club Med**/resort	BWI	24⅜	25	14¾	1.14	21.4	0.20	0.8
o	**Coastal International Ltd**/oil	Bermuda	6¼	9½	6¼	–3.00	NM	0.20	3.2
n	**Commodore Intl**/computer equip	Bahamas	8⅞	33⅜	8¼	1.40	6.3	0.00	–
a	•**Courtaulds Plc**/textiles	UK	1½	2	1⅜	0.30	5.8	0.06	3.4
o	•**De Beers Cons Mines**/diamonds	South Africa	5⅜	6⅞	3⅞	0.95	5.7	0.16	3.0
o	•**Driefontein Consolidated**/gold	South Africa	24⅞	36⅜	21⅜	2.66	9.4	1.37	5.5
o	•**Elan Corp Plc**/biotechnology	Ireland	10⅜	12	7¼	0.18[1]	57.6	0.07	0.7
o	**Elbit Computers**/computer equip	Israel	10¼	12⅜	8⅜	0.85[1]	12.1	0.00	–
o	**Electronics Corp of Israel**/telecomm equip	Israel	12⅞	17¼	9¼	0.78	16.5	0.00	–
o	**Elron Electronics Inds**/computer and med equip	Israel	9¼	13⅜	8	1.29	7.6	0.00	–
n	**Elscint Ltd**/precision instruments	Israel	5¼	12⅜	4¾	–0.07	NM	0.00	–
n	**Erbamont NV**/drugs	Neth Antilles	12½	14⅜	9¼	0.80	15.6	0.30	2.4
o	•**LM Ericsson Tel**/telecomm	Sweden	32¼	46⅜	26⅞	3.39	9.5	0.85	2.6
a	**Etz Lavud Ltd**/wood and plastic products	Israel	30¼	36¼	22⅜	1.54[1]	20.0	0.00	–
o	•**Fisons Plc**/drugs	UK	17½	19¼	9	0.84[1]	20.8	0.22	1.3
o	•**Free State Geduld Mines**/gold	South Africa	25½	38½	17⅞	5.24	4.9	2.40	9.4
o	•**Gambro AB**/health care equip	Sweden	8½	18⅜	7¼	6.68	1.2	0.02	0.2
o	•**Glaxo Holdings Plc**/drugs, food, med equip	UK	16	16⅜	10¼	0.72	22.2	0.20	1.3
o	**Gotaas Larsen Shipping**/maritime	Bermuda	13¼	16½	10⅞	1.85	7.4	0.00	–
n	•**Hitachi Ltd**/electrical equip	Japan	28½	37¾	27½	2.64[1]	10.8	0.33	1.2
n	•**Honda Motor Ltd**/autos, motorcycles	Japan	54⅜	60¼	43⅜	5.30	10.2	0.38	0.7
o	•**Huntington Research Centre Plc**/laboratory svcs	England	11¼	11½	7	0.71	15.8	0.00	–
o	•**IDB Bankholding**/bank holding	Israel	44	45	30	1.57	28.0	0.00	–
o	**IIS Intelligent Info Sys Ltd**/computer equip	Israel	4½	7⅞	4⅜	0.66	6.8	0.05	1.1
n	•**Imperial Chemical Inds Plc**/chemicals	UK	37⅞	40¼	27¼	4.53	8.4	1.78	4.7
a	•**Imperial Group Ltd**/tobacco, food, brewing	UK	2⅜	2⅜	1⅞	0.28	8.5	0.11	4.6
o	•**Instrumentarium**/health care equip	Finland	6⅜	8⅛	3⅞	0.48[1]	12.8	0.12	2.0
o	**InterPharm Labs Ltd**/biotechnology	Israel	3¼	5⅛	3	–0.11	NM	0.00	–
o	**International Capital Equip Ltd**/financial svcs	Bermuda	4	5¾	2¼	0.02	NM	0.00	–
o	•**Ito-Yokado Ltd**/retail	Japan	42¼	44¼	26½	1.36	31.1	0.25	0.6
n	**KLM Royal Dutch Airlines**/airline	Netherlands	17⅛	18⅜	9⅜	1.49	11.5	0.00	–
o	•**Kloof Gold Mining Ltd**/gold	South Africa	40⅛	52	32¼	4.18	9.6	1.73	4.3
n	•**Kubota Ltd**/agricultural equip	Japan	25	27¼	25	1.00	25.0	0.50	2.0
n	•**Kyocera**/ceramics, electronics, optics	Japan	31⅜	67½	31¼	2.22	14.1	0.28	0.9
a	**Laser Industries Ltd**/health care equip	Israel	12	14⅛	9½	0.24	50.0	0.00	–
o	•**Louis Vuitton SA**/luggage, leather prods	France	21	23¼	14¼	0.79[1]	26.6	0.00	–
n	•**Matsushita Elec Ind**/electronics	Japan	55½	66	51⅞	5.48	10.1	0.36	0.6
o	•**Minerals & Resources Ltd**/invests in foreign mines	Bermuda	8	9⅜	6	0.69	11.7	0.20	2.5

a: American Stock Exchange. n: New York Stock Exchange. o: Over-the-counter. •American Depositary Receipts. NA: Not applicable. NM: Not meaningful.

[1] 1983 EPS.

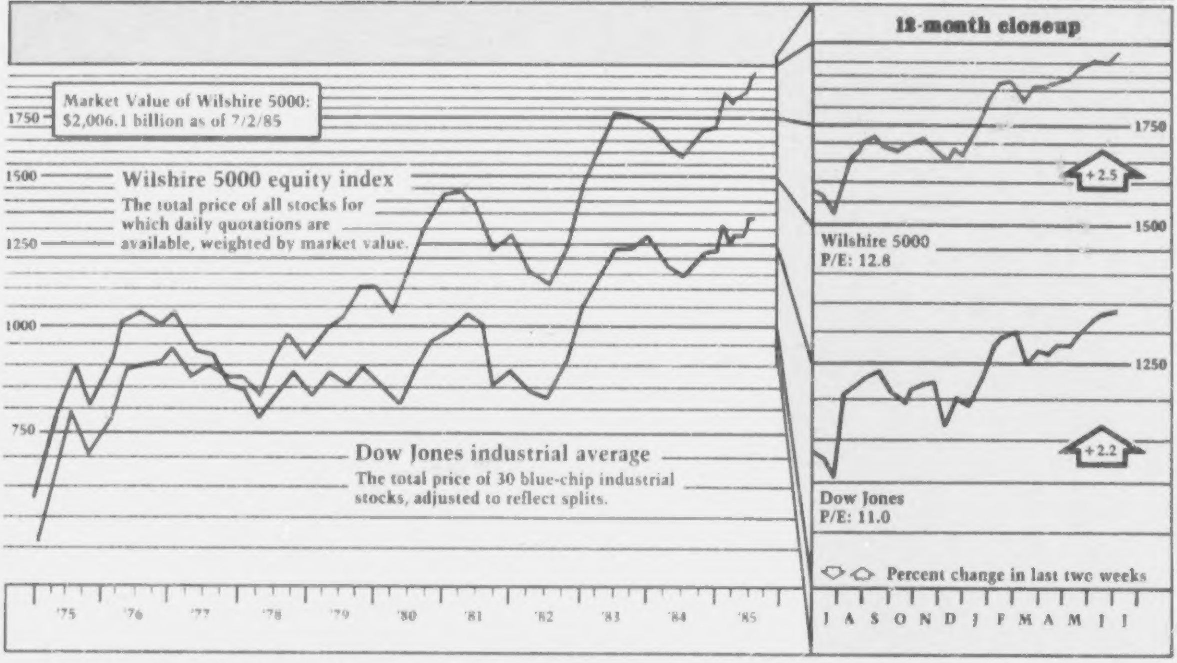
100 U.S.-traded foreign stocks

Exch	Company/business	Corporate headquarters	Price recent	Price 52-week high low	Latest 12-mos EPS	P/E	Dividend	Yield
o	●**Mitsui & Co**/trading company	Japan	33⅝	33⅝– 24¾	$0.80[1]	42.0	$0.35	1.0%
o	●**NEC Corp**/telecomm equip	Japan	20¼	28½– 19⅝	0.84	24.1	0.14	0.7
n	**Norlin**/financial printing	Panama	8⅝	31 – 8⅜	–20.06	NM	0.00	–
n	●**Novo Industri AS**/drugs	Denmark	30	50¾– 20⅞	2.47	12.1	0.27	0.9
a	**O'Okiep Copper Co Ltd**/copper	South Africa	4⅜	8⅛– 3⅛	–2.62	NM	0.00	–
o	**Optrotech Ltd**/electro-optical sys	Israel	13¾	16¼– 7¼	0.49	28.1	0.00	–
o	●**Pharmacia AB**/health care equip	Sweden	15	20⅛– 14½	0.75	20.0	0.06	0.4
a	**Philippine Long Distance Tel**/telecomm	Philippines	2¼	2⅜– 1¼	0.90	2.5	0.27	12.0
o	**Philips NV**/electric equip, electronics	Netherlands	15⅛	17⅜– 12¾	1.49	10.2	0.50	3.3
n	●**Pioneer Electronics**/electronics	Japan	14	24⅜– 13½	–0.04	NM	0.17	1.2
n	●**Plessey Plc**/electronics	UK	21	29¾– 19½	1.57	13.4	0.61	2.9
o	●**President Brand Gold Mining Co Ltd**/gold	South Africa	24¼	43 – 19⅞	7.20	3.4	1.98	8.2
o	●**President Steyn Gold Mining Co Ltd**/gold	South Africa	25⅜	52¾– 22⅛	4.50	5.6	2.25	8.9
o	●**Rank Organisation Plc**/leisure services	UK	4	4 – 2	0.34	12.6	0.16	3.7
o	●**Reuters Holding Plc**/news service	UK	24	29¾– 17⅜	0.76	31.6	0.23	1.0
o	●**Rodime Plc**/computer equip	UK	7½	13¾– 5½	1.62	4.6	0.00	–
n	**Royal Dutch Petroleum**/oil	Netherlands	56⅜	60⅛– 41¼	9.57	5.9	3.07	5.4
o	●**Saatchi & Saatchi Plc**/advertising	UK	27¼	28¼– 19¼	0.61	44.7	0.50	1.8
o	●**St Helena Gold Mines**/gold	South Africa	17⅜	33¾– 13⅞	2.87	6.1	1.48	8.5
a	**San Carlos Milling**/sugar	Philippines	1½	2¼– ⅝	0.06	25.0	0.00	–
n	**Schlumberger Ltd**/oilfield svcs, electronics	Neth Antilles	37⅞	49¼– 34½	4.16	9.1	1.20	3.2
o	**Scitex**/computer equip and svcs	Israel	14¾	21½– 14	1.24	11.9	0.00	–
n	**Sea Containers Ltd**/maritime	Bermuda	39¾	45 – 21⅝	3.74	10.6	0.42	1.1
n	**Shell Transportation & Trading**/integrated oil	UK	35⅝	38¼– 28½	5.58	6.4	2.16	6.1
n	●**Sony**/electronics	Japan	15⅜	19⅛– 12¾	1.27	12.1	0.16	1.0
n	**Syntex**/drugs	Panama	64½	65 – 39⅞	4.12	15.7	1.92	3.0
n	●**TDK Corp**/audio- and videotape	Japan	35⅞	45¾– 31½	2.18	16.5	0.28	0.8
o	●**Teva Pharmaceutical**/drugs	Israel	2½	3½– 1	1.00[1]	2.5	0.03	1.2
o	●**Tokio Marine & Fire**/insurance	Japan	185¼	192 –104	5.78[1]	32.1	1.05	0.6
n	●**Tricentrol Plc**/oil and gas production	UK	5⅜	6⅞– 4	0.74	7.3	0.29	5.4
a	●**Tubos de Acero de Mexico**/steel	Mexico	3¼	4 – 2⅛	1.81	1.8	0.00	–
n	**Unilever NV**/multicompany	Neth Antilles	102½	102¾– 75	10.23	10.0	4.13	4.0
n	●**Unilever Plc**/multicompany	UK	59	60¾– 45	6.08	9.7	1.90	3.2
o	**Universal Furniture**/furniture	Hong Kong	20½	22 – 11¼	1.64	12.5	0.00	–
o	●**Vaal Reefs Expl & Mining Ltd**/gold	South Africa	9	12¾– 7⅛	1.11	8.1	0.59	6.5
o	**Velcro Inds NV**/fastening tapes	Netherlands	33¼	44½– 28	2.69	12.5	0.92	2.7
o	●**Welkom Gold Mining Ltd**/gold	South Africa	7½	12 – 6⅝	0.87	8.6	0.81	10.8
o	●**Western Deep Levels**/gold	South Africa	45¼	58½– 32½	6.09	7.4	2.00	4.4
o	●**Western Holdings Ltd**/gold	South Africa	30½	47¾– 24¼	6.87	4.4	3.24	10.6
a	**WTC International NV**/freight forwarding	Neth Antilles	6⅞	8¾– 6⅜	0.42	16.4	0.00	–

a: American Stock Exchange n: New York Stock Exchange o: Over-the-counter ●American Depositary Receipts NA: Not applicable NM: Not meaningful
[1] 1983 EPS

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



How broad is this bull? The stock market rally appears to be expanding—with the Dow, NYSE and Wilshire indexes all hitting record levels almost daily lately—but it's not all that broad yet. Secondary issues in the over-the-counter market are still 11% below their 1983 peak. Amex issues are 7% below their 1983 peak. Things are improving for at least some secondary stocks. For the last 52 weeks the Nasdaq index is up 24.6%, vs. a 25.8% gain for the Wilshire. The Amex, weighted down with depressed drillers and explorers, is up only 16.4%. During the last two weeks the Amex rose 2.8%, the Nasdaq 3.1%. This compares with gains of between 2.2% and 2.5% for the Dow industrials, the NYSE, the Wilshire index and the Forbes 500. But with the Wilshire index of more than 5,500 shares already selling at 12.8 times latest 12-month earnings, there is a chance that profit-takers and short-term traders could spoil the party before it really gets started for secondary shares.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	1.3	1.7	1.4	1.1	0.5	2.0
in last 52 weeks	25.8	27.4	17.6	25.6	16.4	24.6

Stock performance based on six key investor yardsticks

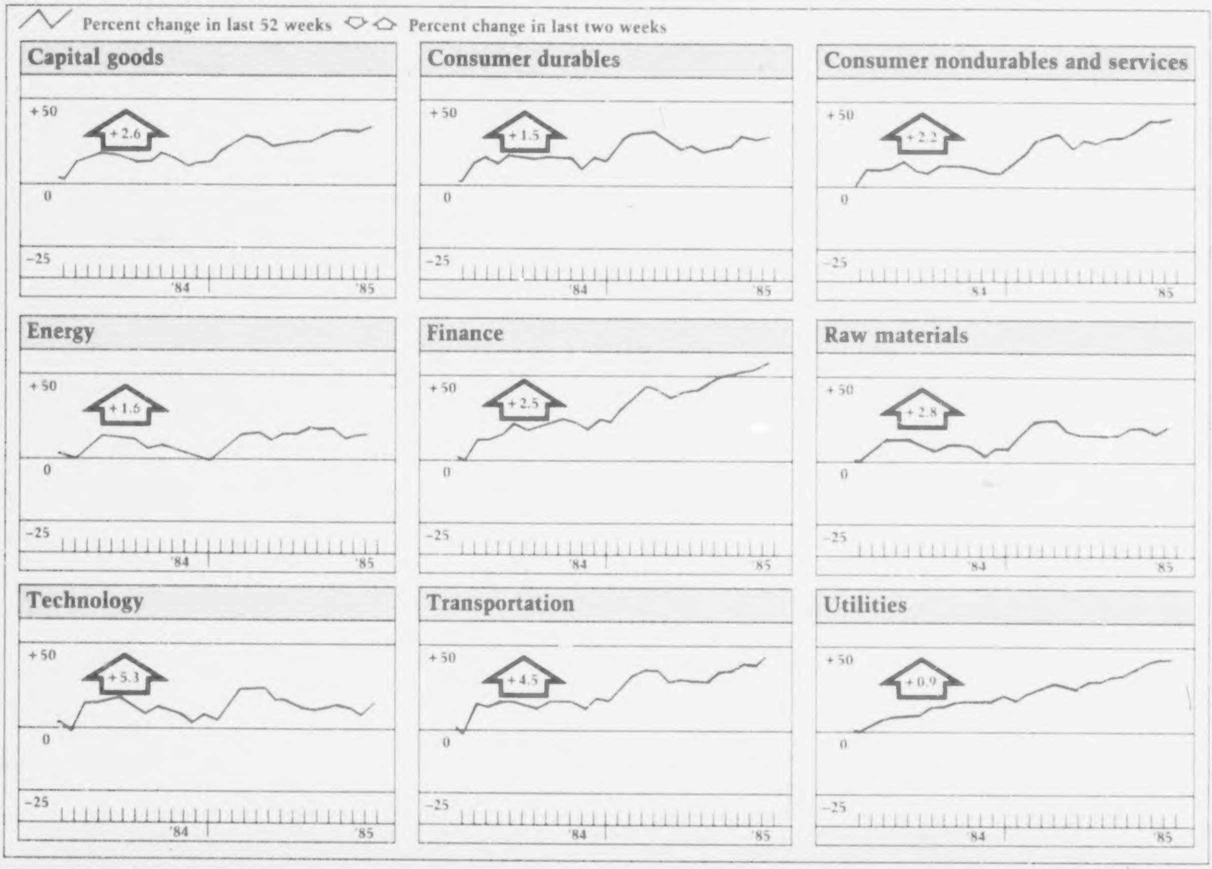
Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	1.8	0.7	0.2	2.6	0.2	2.0	1.6	−0.6	1.5	1.9	2.5	−1.1
in last 52 weeks	31.5	17.9	21.5	38.7	12.4	37.7	35.7	21.8	16.9	36.6	36.3	4.2

[1] Based on sales.
[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 7/2/85. Prepared by Wilshire Associates, Santa Monica, Calif.

Where The Action Is

Betting on probable survivors. Wall Street seems to be looking down the road past the shakeout that is now under way in the computer industry. During the last two weeks technology issues showed a 5.3% gain, outperforming the market, as measured by the Wilshire index, by a wide margin as well as the eight other Wilshire sectors. A handful of stocks such as Amdahl, DSC Communications, Advanced Micro Devices and Data General had exceptional performances while only one stock in the sector, Grumman, fell more than 2%. Transportation, with a 4.5% gain, was the second-best-performing sector. Meanwhile, four sectors underperformed the market. Among the stragglers was consumer durables, which gained only 1.5%, and energy, which was up 1.6%.



What The Analysts Think

Cheaper money, higher earnings. Analysts raised 1985 earnings estimates for finance and consumer nondurables stocks during the last two weeks. Department stores in particular received several upward revisions from Wall Street. That was the good news. Meanwhile, forecasts were lowered for the remaining seven Wilshire sectors.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.50	11.7
1985 estimates	4.04	10.1
1986 estimates	4.61	8.9

Rank based on change in estimate	Sector	Estimated 1985 EPS	Estimated 1985 P/E	% change in 1985 estimate in 2 weeks	% change in 1985 estimate in 4 weeks
1	Consumer nondurables	$2.48	12.9	2.83%	2.88%
2	Finance	3.30	10.3	0.17	0.43
3	Consumer durables	4.72	7.9	–0.03	–0.40
4	Utilities	3.39	8.4	–0.09	–0.16
5	Energy	3.79	8.3	–0.42	–0.90
6	Capital goods	2.77	11.5	–1.31	–1.88
7	Transportation	2.88	10.3	–1.51	–1.90
8	Technology	2.65	12.4	–2.48	–3.02
9	Raw materials	2.11	12.2	–2.97	–5.77

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 7/2/85. Prepared by Wilshire Associates, Santa Monica, Calif., IBES, a service of Lynch, Jones & Ryan, New York.

AUGUST 12, 1985 THREE DOLLARS

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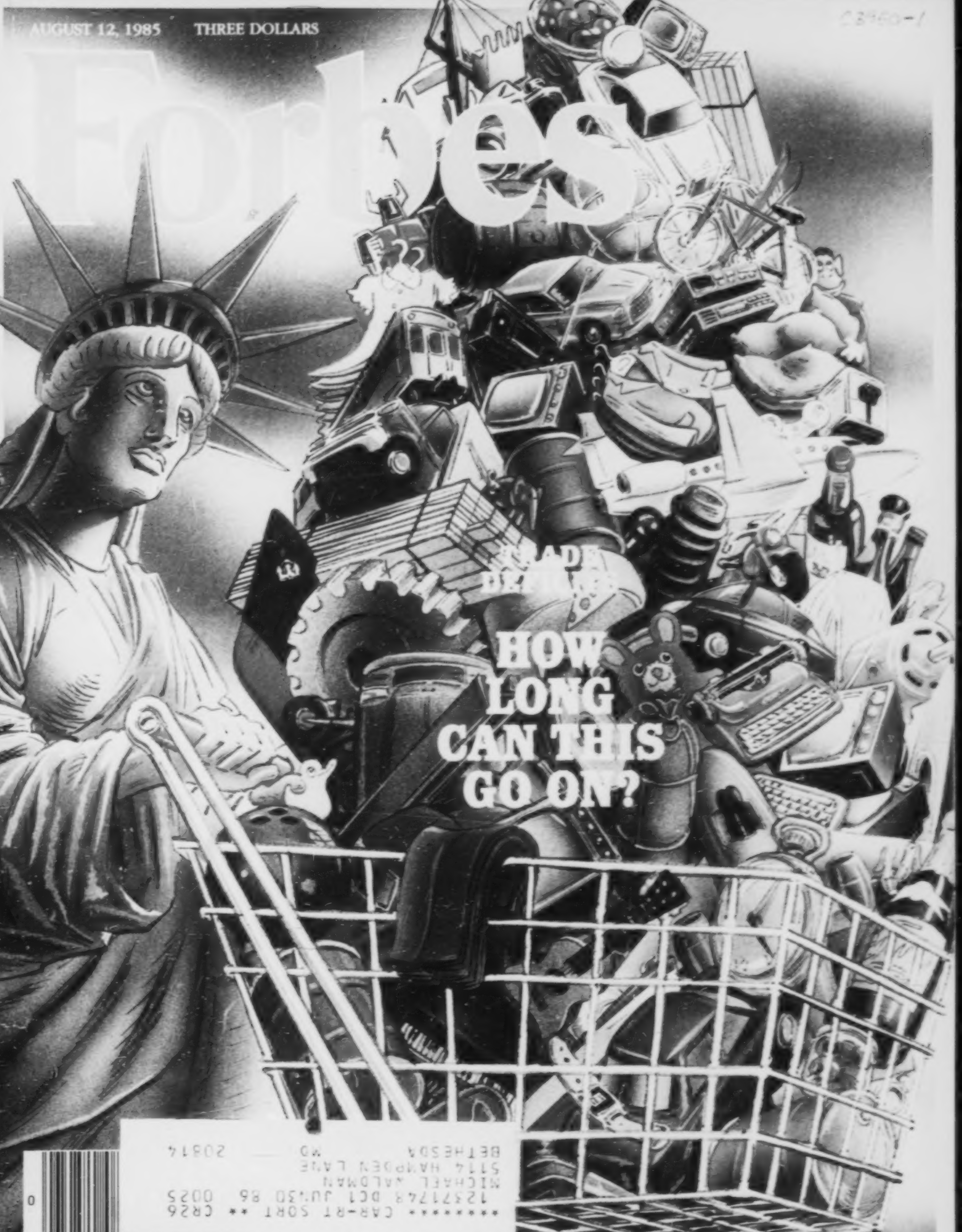
Forbes



TRADE DEFICIT

HOW LONG CAN THIS GO ON?

******* CAR-RT SORT ** CR26
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MICHAEL WALDMAN
5114 HAMPDEN LANE
BETHESDA MD 20814

Forbes

August 12, 1985
Volume 136
Number 4

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Kirk Kerkorian has seen his 50.1% holding go absolutely nowhere. But that seems about to change.

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Last year, Continental Group Chairman S. Bruce Smart Jr. said, "I don't think people will be coming in here from Omaha and telling us what to do." Now, Smart is out of a job and Kiewit is dismembering his company.

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Plenty. In some cases, well-known brand names can attract acquisitors.

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If you find a fund that sticks close enough to home, you might even get a triple whammy. Remember, though, it's not always as good as it looks.

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If you're a hay fever sufferer, you may not appreciate it, but the humble grain of pollen is one of the miracles of nature. Also: the business of repairing knees; the printing technology called flexography.

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100 "Hi, Wally . . ."
That was the first thing his boss said to Walter Bregman that morning. The next thing he said was, "Wally, I want a different president."

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The big imponderable, of course, is what will happen to the Reagan tax plan. So why even bother thinking about it right now? Because this could be a rare window of opportunity if you're willing to be a little creative.

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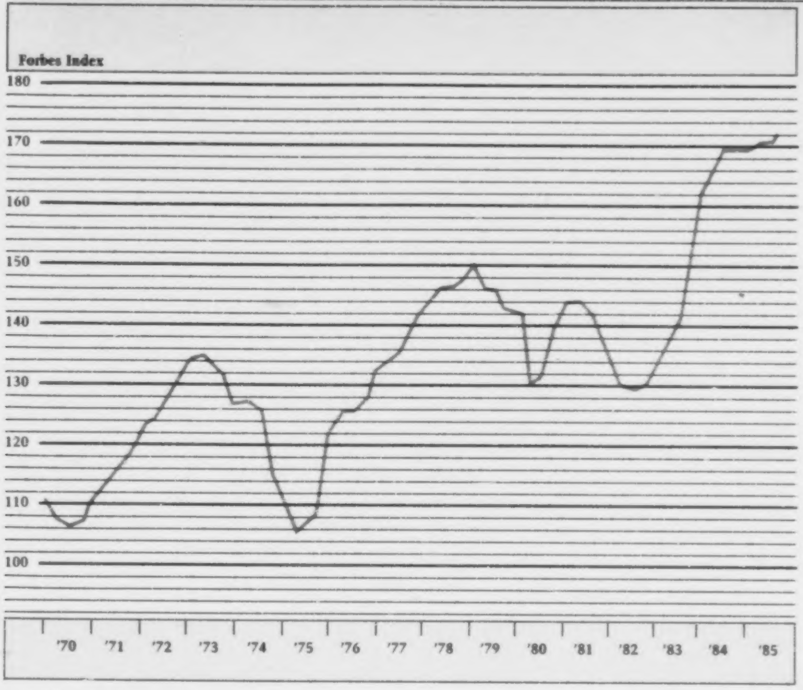
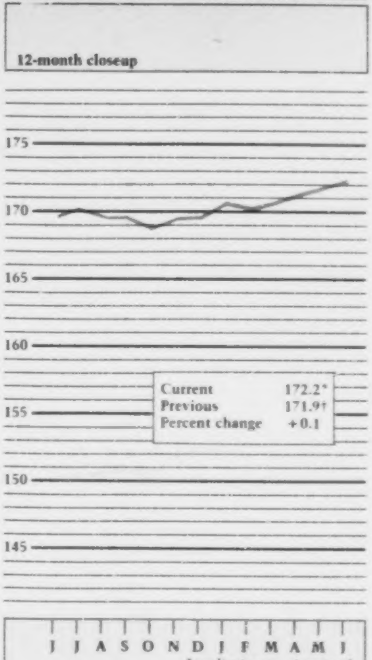
Cover illustration by Robert Grossman

The Forbes Index





Current	172.2*
Previous	171.9†
Percent change	+0.1

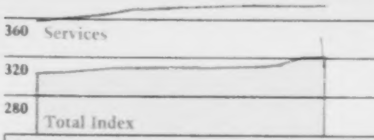
*preliminary †revised

Weakness shows through. Despite lower mortgage rates, new housing starts fell for the second consecutive month, this time by 3.8%. Retail sales also fell for the second straight month. The final bit of bad news came from new unemployment claims, 3.3% higher than they were one month earlier. All of this fits in with a slack economy that grew at an annual rate of only 1.7% in the second quarter. But while most Forbes Index components are trending downward, a few pockets of strength hold it up. Personal income rose 0.7% over the previous month. And industrial production—now being calculated using 1977 rather than 1967 as the base year—is up nearly 0.2% from month-earlier figures. Our preliminary figure shows the Forbes Index with a 0.1% gain in the latest period.

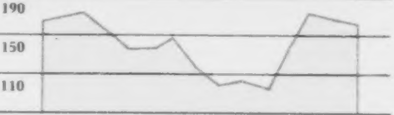
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

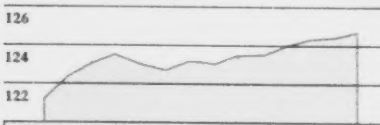
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



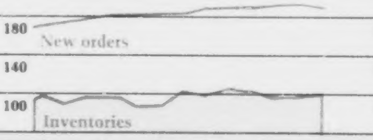
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



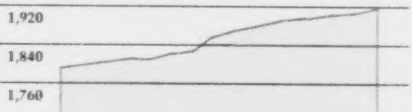
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



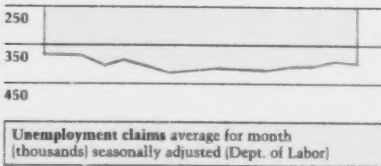
Industrial production index (1977 = 100)
seasonally adjusted (Federal Reserve)



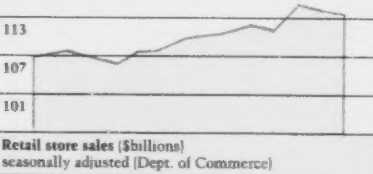
Manufacturers' new orders and inventories
($billions) seasonally (Dept. of Commerce)



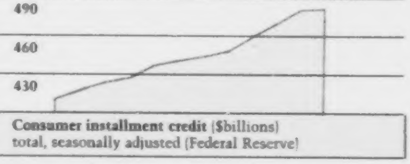
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month
(thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions)
seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

UAL Inc. has moved fast on several fronts, leaving Wall Street anxiously crunching new numbers. But the moves make sense, and add up to a more profitable future.

Ready for takeoff

By Howard Banks

UAL INC., THE PARENT company of United Air Lines, the U.S.' largest airline, has seemed to be calamity's child. Misfortunes, from groundings of the DC-10 through labor problems, have dogged its progress and its profitability. In only one of the last six years has its return on capital gone above 10%. This year it endured a 29-day pilots' strike, one effect of which will be to all but wipe out aftertax earnings for 1985.

Same old story? Anything but. Not only did UAL get a labor agreement after that strike that will have extremely positive long-term consequences, but the company has also made a series of lightning moves in recent months that, taken together, should bring profits more in line with UAL's considerable potential.

If the moves seemed hurried, it's because company officials had reason to believe that somebody else had already noticed UAL's potential. Stock transactions showed someone was accumulating a position. Now, says John L. Cowan, UAL's executive vice president for finance, "We've probably removed UAL entirely from a takeover threat. But what happened helped accelerate things that were on the drawing board for years." Here's what cleared the backlog.

In June UAL announced a $588 million purchase of Hertz Corp. The acquisition had less to do with the marketing "synergy" that most Wall Street comment has focused on—passengers checking their bags with United and being able to transfer them to the trunk of a Hertz car or, perhaps, a room in one of UAL's chain of Westin Hotels. More important, says UAL Chairman Richard Ferris, are the potential operational links. Hertz, like United and Westin, sells a perishable consumer good. An unsold seat or bed or an unrented automobile is lost forever; none of them can be put in inventory.

It's the airlines—especially United, with its Apollo reservations system, and key competitor American Airlines, with Sabre—that lead the way in using computers to reduce empty seats or rooms or idle automobiles through timely fare or rate discounts. The synergy, in other words, comes through shared communications.

Steve Smith/Wheeler Pictures

UAL Chairman Richard Ferris
Quietly confident.

In April UAL announced the purchase of Pan American's profitable Pacific routes. The $715 million price is high, especially considering that many of the aircraft that come with the deal will have to be replaced. But it's the most economical way to build an instant system in the Pacific, the fastest-growing international air market.

In September, UAL has announced, it will deal some of its Westin Hotels to the public. The group of 51 hotels is an asset-rich jewel. So Ferris plans to extract some of the equity through selling limited partnerships. In September a package of three as yet unnamed hotels will be sold to the public for $360 million through Merrill Lynch in partnerships worth around $10,000 apiece. United gets the money, retains the profitable management contract and, in ten years or so, shares 50-50 with the limited partners any equity appreciation that occurs in the meantime. "It's a way for a public company to get at equity and future growth in its real estate as well as operational earnings," says Ferris. If it works well, a second partnership will be sold for another $300 million-plus early in 1986.

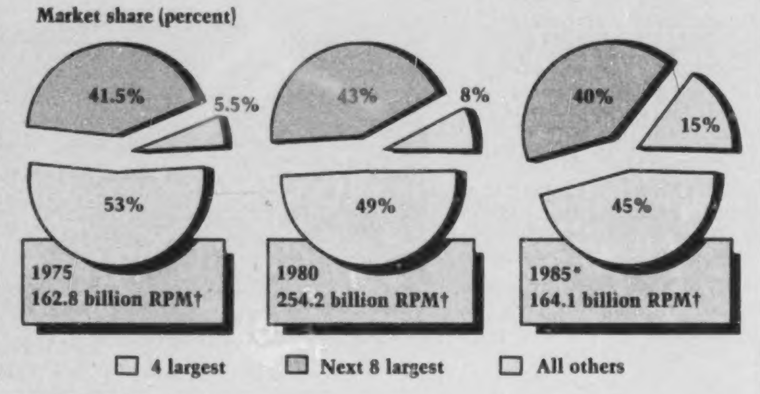
Those were the announced moves. What UAL hasn't talked about, but is well pleased with, is the labor agreement concluded in mid-June. New hires are on a 40% lower pay scale for the first 5 years. For years 6 to 12, pay will be set through arbitration but must be tied to the pay of pilots at the airline's four main competitors. Today that's mostly American and Continental, both with tight, two-tier pay scales. It will be the same process for years 13 through 18 for all pilots hired from now on. The pay of these new hires merges with that for existing pilots only when the new ones reach captain's rank. At United, says Ferris, that takes around 18 years.

Now that United has a competitive labor deal with its pilots, it can afford to buy more equipment. It was already adding 5% to 6% capacity cheaply with 30 secondhand aircraft costing $400 million. "With fuel prices falling, used are the most efficient buy," says Ferris. But such deals are getting scarce. And Ferris will be ordering a raft of new aircraft this fall from Boeing, which has a $75 million chain around United's neck. Back in 1979

Room to maneuver

Some myths, however wrong, persist against all evidence. Typical is the notion that airline deregulation will lead inevitably to oligopoly, to an industry dominated by three or four giant airlines.

The chart at right shows what has actually happened in the airline business since deregulation in 1978. The market share (percentage of passenger traffic carried, measured by revenue passenger miles) of the four biggest carriers has steadily slipped, while the share of the next eight largest has stayed roughly the same. It is the smaller scheduled jet airlines—formerly called regional carriers—that have grown fastest.



*Based on first half 1985.
†Revenue passenger miles.

Source: Air Transport Association.

Some things such a chart cannot show. There have been significant changes in the standings. Leaving aside the effect of the recent strike, United remains top dog, but archrival American has grown to be clearly number two. Postbankruptcy Braniff is relegated to the also-rans, while upstart People Express (though under pressure on the profit front) in traffic terms is now tenth-largest.

A merged TWA, with Continental or Eastern, would move to the top but would not create oligopoly. One of the other 100-odd jet carriers would move up a notch.

One caveat: The bigger carriers, led by United and American, have learned to use the marketing muscle of their computer reservation systems, despite official restraints that have been imposed. Increasingly, small carriers operate in the knowledge that they will be trampled if they become overambitious.

The likes of People Express will have to watch their toes.—**H.B.**

United ordered 39 of the new medium-range 767s off the drawing board. The airline took the first 19 and doesn't want or need many of the next batch of 20, but there are penalty clauses. The ex-Pan Am routes will need new 747s, and Boeing would like to sell some interim short-haul aircraft, like 737-300s. A painless swap seems likely.

UAL's financial position will remain sound even after all these deals. In September or October, Cowan says, UAL will buy annuities and thereby recover a little over $1 billion from its pension fund. Debt after all deals are completed will be under 30% of capitalization. Hertz will also give UAL a sizable cash flow boost, raising it, says analyst Michael Derchin of First Boston, to well over $1 billion a year. "So much has happened in a hurry at United, Wall Street doesn't appreciate them," says Derchin. "Just look at United's and American's market capitalization." Recently, American's was around $3 billion, and United's, fully diluted, was around $2 billion. If it got the market acceptance of its rival, UAL would sell at roughly 86 a share, whereas it now sells at around 55. Derchin, who thinks UAL earnings will hit 10 to 12 in 1986, sees no reason for the market capitalization gap.

And Ferris & Co. surely see no reason for it at UAL's quietly confident Chicago headquarters. ■

Secondary markets in residential mortgages are booming. But underlying it all is a loan on a frame house on Main Street. And the foundation is shaking.

Trouble at home

By Richard L. Stern and Mark Clifford

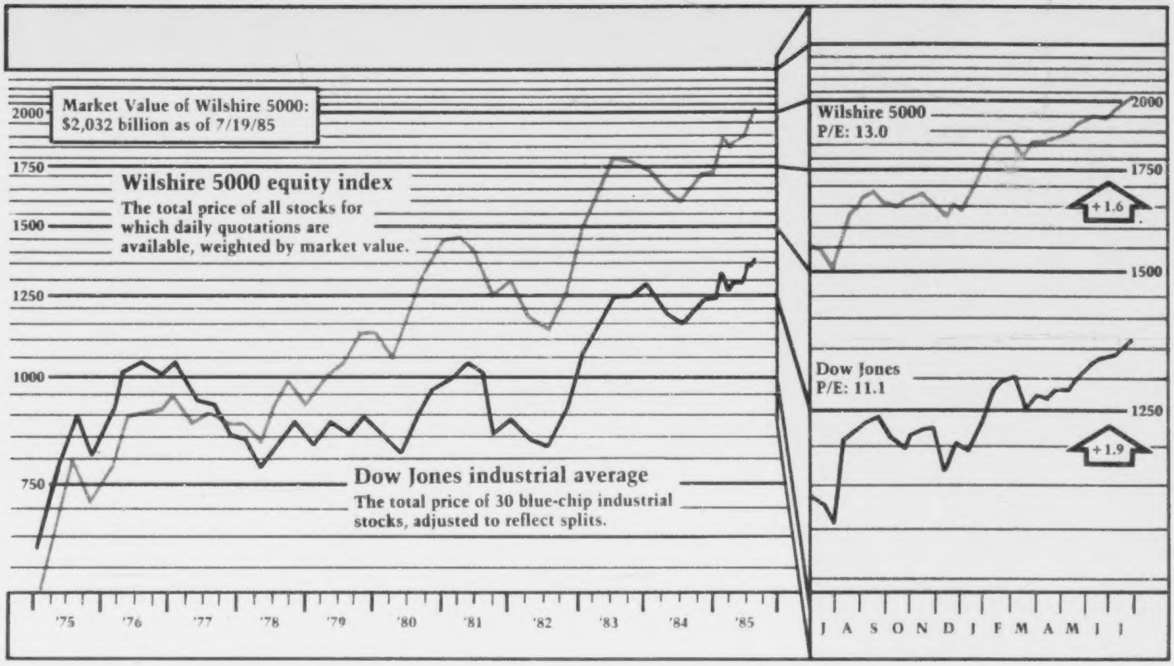
THERE ARE SIGNS OF REAL trouble in the single-family home mortgage market that could have serious repercussions for many lenders, insurers, the federal government and the exploding market for mortgage securities.

In what has always been regarded as the safest kind of loan, indeed the nation's prime credit, one hears more and more of outright fraud.

In Camden, N.J. a vice president of Margaretten & Co., a mortgage banking subsidiary of Berg Enterprises, Inc. (which recently was acquired by American Can), was sentenced in July to a year in jail in a fraud involving mortgages insured by the Federal Housing Administration (FHA). It was not an isolated incident. There's growing evidence that similar frauds in FHA- and Veterans Administration-guaranteed mortgages are occur-

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Two trillion dollars. That's a new record value for stocks used in the Wilshire 5000 index, which tracks all common stocks traded on the NYSE, AMEX, Nasdaq and regional exchanges. The total first broke $1 trillion in February 1972. After peaking the following December, it fell as low as $550 billion in September 1974. The $1 trillion level was not reached again until August 1978. Since then, however, the total capitalization of the 5,500 stocks in the Wilshire has doubled. ("Total return" performance has been even better, since it includes dividends.) Compare the Dow, which says that the market went up only 55%.

In reaching its milestone, the Wilshire recorded a 1.6% two-week gain as the rally broadened, with both the Nasdaq and Amex outscoring the NYSE. What distinguishes this rally from its 1982-83 predecessor—so far—are its steady but comparatively moderate day-to-day advances.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	3.6	3.5	2.7	3.1	4.9	6.6
in last 52 weeks	32.2	33.4	23.4	31.4	23.9	34.2

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	3.7	4.4	7.1	3.6	6.2	4.5	3.1	5.6	6.5	3.7	4.8	3.7
in last 52 weeks	38.7	25.5	34.1	43.4	22.4	43.8	40.2	32.6	28.4	40.9	43.6	12.6

[1] Based on sales.
[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

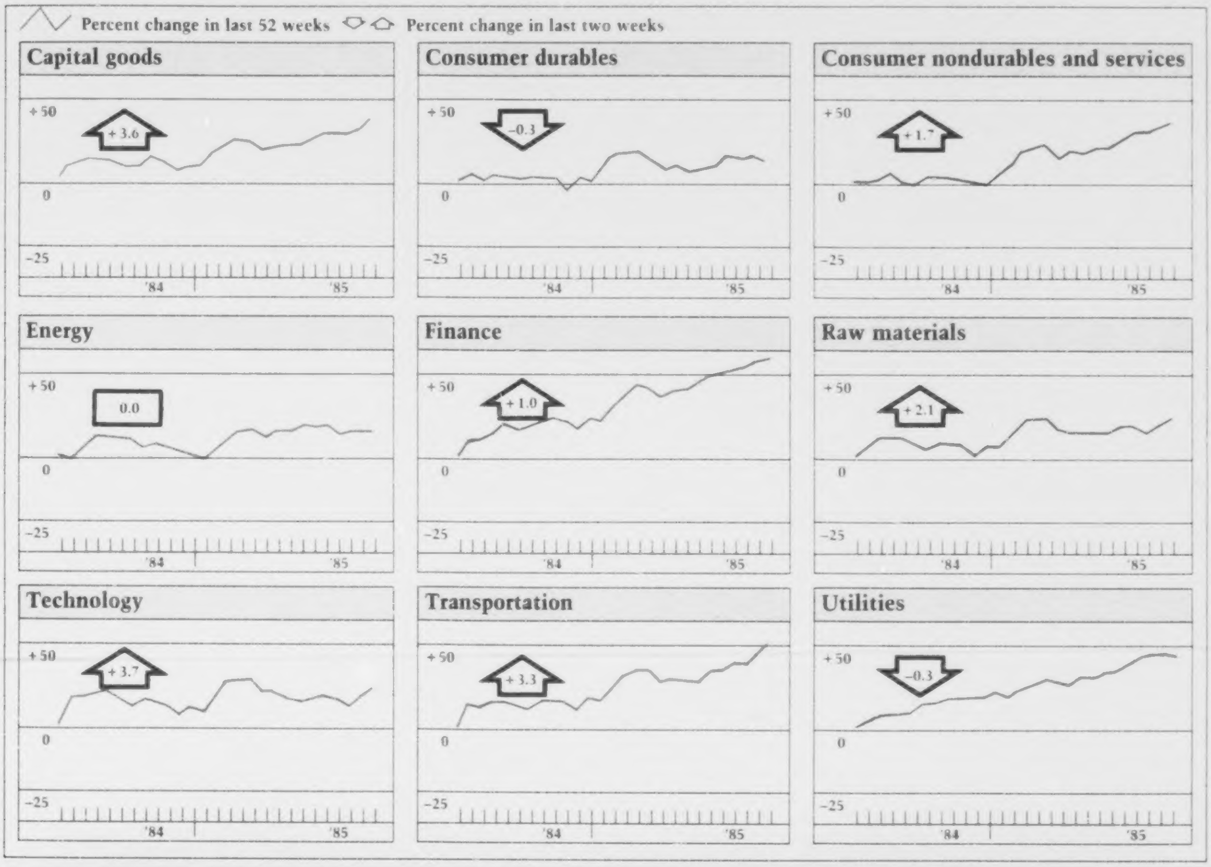
Note: All data for periods ending 7/19/85. Prepared by Wilshire Associates, Santa Monica, Calif.

Where The Action Is

Is the play in utilities over? Two weeks ago utilities were second only to finance shares in 52-week performance. If interest rates have had their big tumble, however, investors may feel that these conservative shares have already had their run. Over the last two weeks utilities fell 0.3%, and slipped to fourth place in 52-week performance.

Contrast technology—it's one of the worst sectors in 52-week performance, yet it outposted the other groups with a 3.7% two-week gain. But don't read turnaround too hastily. The problems plaguing the computer industry are not likely to disappear soon.

Oils have been another weak group over the past year, with only a 10.5% increase. That may allure contrarian investors to these shares.



What The Analysts Think

Where are the bargains? Over the last two weeks The Forbes Sales 500 gained 1.8%, while analysts made slight downward adjustments in 1986 earnings projections. That puts the Sales 500s at 9 times estimated 1986 earnings. How much more will investors be willing to pay for these shares if estimates continue to fall?

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.48	11.9
1985 estimates	3.99	10.3
1986 estimates	4.57	9.0

Rank based on change in estimate	Sector	Estimated 1985 EPS	Estimated 1985 P/E	% change in 1985 estimate in 2 weeks	% change in 1985 estimate in 4 weeks
1	Energy	$3.45	8.4	0.59%	0.21%
2	Finance	3.29	10.5	0.43	0.61
3	Utilities	3.40	8.4	–0.15	–0.23
4	Consumer nondurables	2.47	13.3	–0.17	2.59
5	Consumer durables	4.73	7.8	–0.94	–0.93
6	Transportation	2.78	10.5	–1.09	–2.62
7	Capital goods	2.76	11.8	–1.23	–2.51
8	Technology	2.61	13.2	–1.39	–3.82
9	Raw materials	2.03	13.0	–1.64	–4.22

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 7/19/85. Prepared by Wilshire Associates, Santa Monica, Calif., IBES, a service of Lynch, Jones & Ryan, New York.

The Forbes/TUCS Institutional Portfolio Report

Edited by Steve Kichen

INSTITUTIONAL INVESTORS made good money in the second quarter but they failed to outperform the market, according to data generated by the Trust Universe Comparison Service. TUCS, maintained by Santa Monica, Calif.-based Wilshire Associates, monitors more than 4,000 pension portfolios, a sample that represents approximately 20% of the estimated $1.3 trillion total U.S. pension assets. The findings: Institutions scored a median total return from all their investments of 7.4% in the second quarter. From equities alone, they earned 7.3%, compared with a 7.5% total return for the Wilshire index. The individual investor, it seems, isn't so dumb after all.

A strong market enabled pension sponsors to continue treating their funds as cash kitties. Many employers are cutting back contributions, and some are recapturing past contributions by terminating their benefit plans. The net result is that pension assets diminished in the quarter once price appreciation and dividends were backed out. (See "Segment performance and cash flows" in the table at right, showing a 5.1% decline in assets under management.) By the same calculations only the convertible segment, with a 2.4% gain during the last quarter, shows an inflow of money.

Cash fell from 10.9% to 10.4% of the typical pension portfolio. That may not sound like much, but it means that managers in the sample moved $1.6 billion in assets from cash to somewhere else. TUCS says that its universe still holds $33 billion in cash and cash equivalents. With equity and fixed income recently returning three to four times as much as cash, managers are going to be tempted to shift still more cash elsewhere.

The new section below, "How different managers performed," shows that the most successful managers in the last three months were those who specialized in so-called value, or high-yield, stocks. Second place goes to sector rotators—managers who buy and sell according to forecasts for economic sectors. The most successful sector rotators bought the utilities, which rose 12.3% last quarter, and avoided technology shares, which gained only 0.4%. Meanwhile, managers who emphasized market timing underperformed the Wilshire by a wide margin last quarter, with only a 5.9% total return. Over the last 24 months, however, managers of emerging growth portfolios have had the worst record: a 5.3% total return, compared with 19.8% for the Wilshire index.

How different managers performed

Manager style	—Total return— recent quarter	12 months	24 months
Diversified	6.8%	22.0%	18.7%
Growth	7.2	22.5	7.1
Growth—Emerging	7.8	20.2	5.3
Market timer	5.9	19.1	10.9
Sector rotator	7.9	25.0	8.4
Value	8.5	25.7	22.7

Where the institutions put their money

Segment	—Portfolio weighting— most recent quarter	previous quarter
Equity	56.8%	56.6%
Fixed income	28.1	27.5
Cash and equivalents	10.4	10.9
Convertibles	0.9	0.9
Other[1]	3.8	4.0

Equity portfolio characteristics

	Institutional portfolios	Wilshire 5000
Price/earnings ratio	11.7	11.4
Dividend yield	3.8%	4.0%
Beta[2]	1.06	1.04
Price/sales	1.06	1.02
Price/book	2.09	2.05

Segment performance and cash flows

Segment	—Most recent quarter— median total return	shift in institutional holdings	—Latest 12 months— median total return	shift in institutional holdings
Equity	7.3%	–0.6%	29.8%	–1.3%
Fixed income	8.4	–1.1	28.7	–0.8
Cash equiv	2.1	–1.1	10.0	–19.1
Convertibles	7.5	2.4	28.9	0.7
Other[1]	2.5	–2.2	3.0	–9.6
Total	7.4	–0.9	26.7	–5.1

Position changes: These securities had the greatest relative change in holdings over the last quarter

Security	Increase in holdings	Total quarter return	Security	Decrease in holdings	Total quarter return
Exxon	0.6%	9.0%	American Exp	–0.4%	15.6%
Xerox	0.4	23.0	American Brands	–0.3	–2.5
AT&T	0.3	12.9	Fed Dept Strs	–0.2	15.4
Reynolds Inds	0.3	–6.2	Waste Mgmt	–0.2	14.0
Dart & Kraft	0.3	15.7	Philip Morris	–0.2	–7.5
FPL Group	0.3	11.2	Toys 'R' Us	–0.2	31.1
FW Woolworth	0.2	14.5	General Re	–0.1	15.8
Anheuser-Busch	0.2	19.8	UAL	–0.1	16.6
Sears, Roebuck	0.2	13.7	Loews	–0.1	13.4
Bell Atlantic	0.2	13.5	Wal-Mart Stores	–0.1	22.6

[1] Real estate, foreign investments, venture capital, guaranteed insurance contracts.

[2] A measure of risk. A stock with a beta of 1.00 tends to move up or down at the same rate as the S&P's 500.

Note: Data for quarter ending 6/28/85. Prepared by the Trust Universe Comparison Service (TUCS®), a service of Wilshire Associates, Santa Monica, Calif.

Where the institutions are—and aren't

Most overweighted relative to Wilshire 5000			Most underweighted relative to Wilshire 5000		
	% of			% of	
Security	institutional universe	Wilshire 5000	Security	institutional universe	Wilshire 5000
SmithKline Beckman	0.6%	0.2%	Exxon	1.4%	2.1%
McDonald's	0.6	0.3	IBM	4.0	4.4
Citicorp	0.6	0.3	Phillips Petroleum	0.0	0.4
Phibro-Salomon	0.6	0.3	Procter & Gamble	0.3	0.6
Lockheed	0.5	0.2	Standard Oil of Ohio	0.3	0.6
AMR	0.4	0.1	AT&T	0.9	1.2
Chrysler	0.5	0.2	Eastman Kodak	0.5	0.7
Tandy	0.4	0.1	General Electric	1.3	1.5
Xerox	0.4	0.2	Sun Co	0.1	0.3
JP Morgan & Co	0.4	0.2	Minnesota Mng & Mfg	0.4	0.5

Utilities—an institutional fad. With interest rates falling, the normally staid utility stocks have been hot performers of late. This has not escaped pension fund managers, who have helped push up utility shares by buying them heavily. In the June quarter utility holdings rose from 8% to 11.7% of the TUCS equity portfolio. Technology and consumer nondurable shares were sold off.

Energy stocks continue to be the most underweighted in institutional portfolios relative to the Wilshire 5000 composite. However, while Exxon is still the most underweighted of all firms, it now leads the list of securities with the greatest relative increase in holdings over the last quarter, as shown in the "Position changes" table on the previous page. This could be the beginning of a promising trend for individual investors who have waited patiently for a turnaround of major oil stocks.

Sector activity and top holdings

% of institutional portfolio: ■ most recent quarter ■ previous quarter

Capital goods	5.3% 5.3%	Consumer durables	4.8% 4.5%	Consumer nondurables	27.6% 29.2%
	total return		total return		total return
General Electric	5.6%	General Motors	−0.4%	Sears, Roebuck	13.7%
Westinghouse Electric	15.7	Ford Motor	8.0	Philip Morris	−7.5
Emerson Electric	5.4	Chrysler	5.4	American Home Prods	4.1
Caterpillar Tractor	3.5	Goodyear Tire & Rubber	11.3	SmithKline Beckman	10.6
Eaton	0.2	RCA	15.8	McDonald's	16.0
Energy	**9.9% 9.3%**	**Finance**	**11.9% 12.9%**	**Raw materials**	**10.4% 10.8%**
	total return		total return		total return
Exxon	9.0%	Citicorp	15.5%	EI du Pont de Nemours	13.5%
Atlantic Richfield	24.5	Phibro-Salomon	12.5	Allied Corp	14.0
Schlumberger	1.8	American Express	15.6	Dow Chemical	24.9
Royal Dutch Petroleum	5.7	JP Morgan & Co	15.4	Union Carbide	24.3
Mobil	2.2	American Intl Group	16.0	Monsanto	16.0
Technology	**14.7% 16.2%**	**Transportation**	**3.7% 3.9%**	**Utilities**	**11.7% 8.0%**
	total return		total return		total return
IBM	1.7%	CSX	13.6%	AT&T	12.9%
Boeing	7.9	AMR	14.0	Nynex	13.6
Lockheed	6.4	Burlington Northern	19.3	BellSouth	19.6
United Technologies	2.4	Norfolk Southern	7.6	Southwestern Bell	14.7
Digital Equipment	−9.7	Santa Fe Southern Pacific	20.9	GTE	2.2

AUGUST 26, 1985 THREE DOLLARS

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Forbes

PAY-PER-VIEW TELEVISION

THE IMPOSSIBLE DREAM

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Forbes

August 26, 1985
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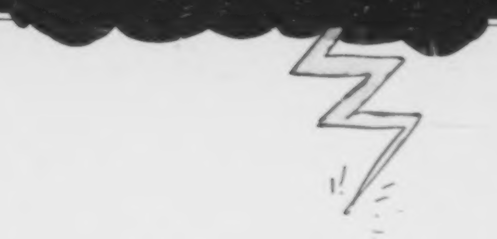

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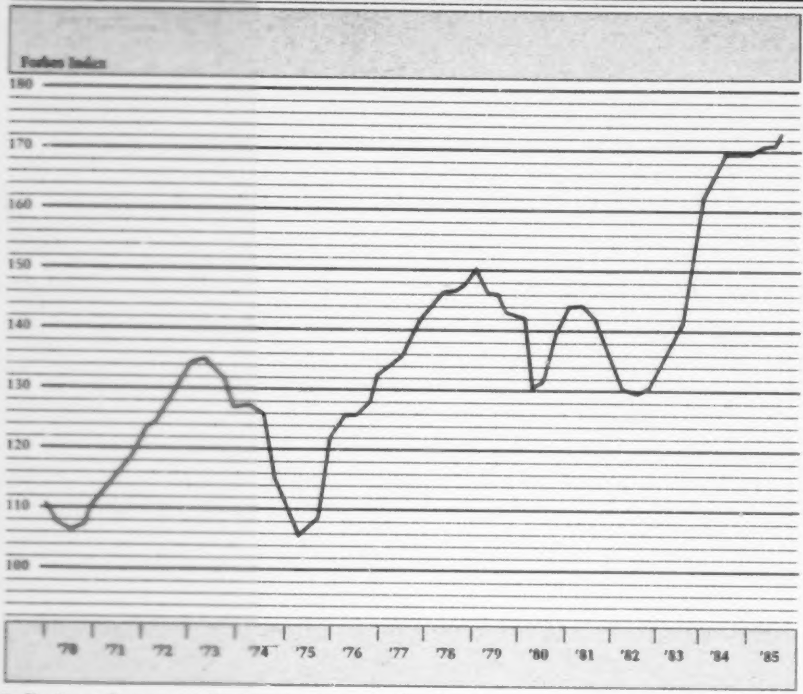
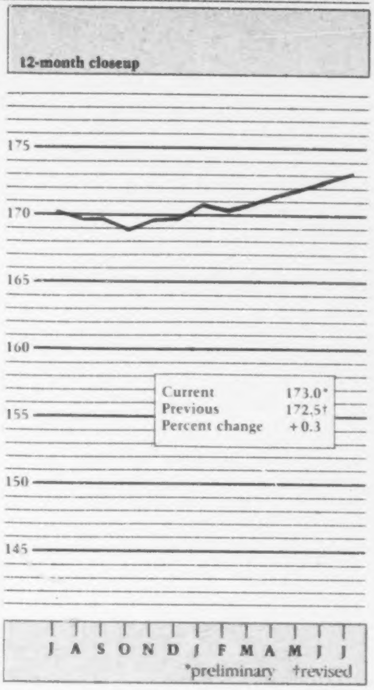
The Forbes Index





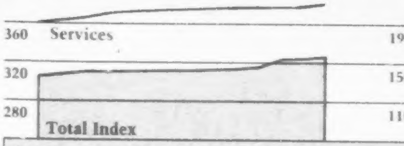
Inflation: forgotten but not gone. Both the Consumer Price Index for services and the overall CPI rose 0.6% for the month of June. Prices are only 4.1% higher than a year ago. But if the June rate keeps up for the next 12 months, our inflation rate will be 7.5%, almost double that of 1984. While energy and commodity prices remain depressed, labor costs are on the increase.

Overall, the Forbes Index gained 0.3% over the past month. Manufacturers' new orders hit a record mark with a 3.6% month-to-month gain. Inventories crept up 0.5% from the previous month. Less encouraging was a 1.5% month-to-month rise in new unemployment claims. And consumer installment credit was 1.9% higher than month-earlier figures.

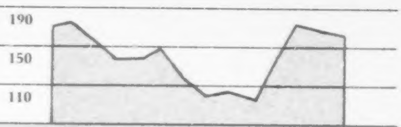
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

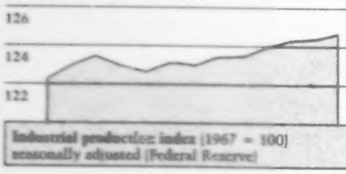
To measure these eight elements, Forbes monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



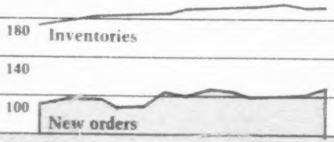
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



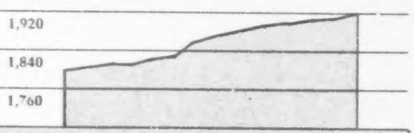
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



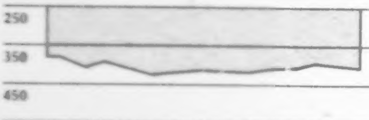
Industrial production index (1967 = 100)
seasonally adjusted (Federal Reserve)



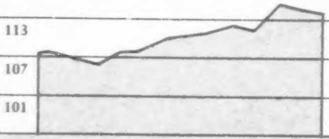
Manufacturers' new orders and inventories
($billions) seasonally (Dept. of Commerce)



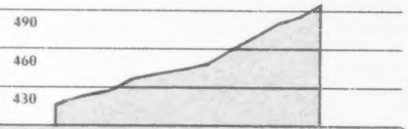
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month
(thousands) seasonally adjusted (Dept. of Labor)



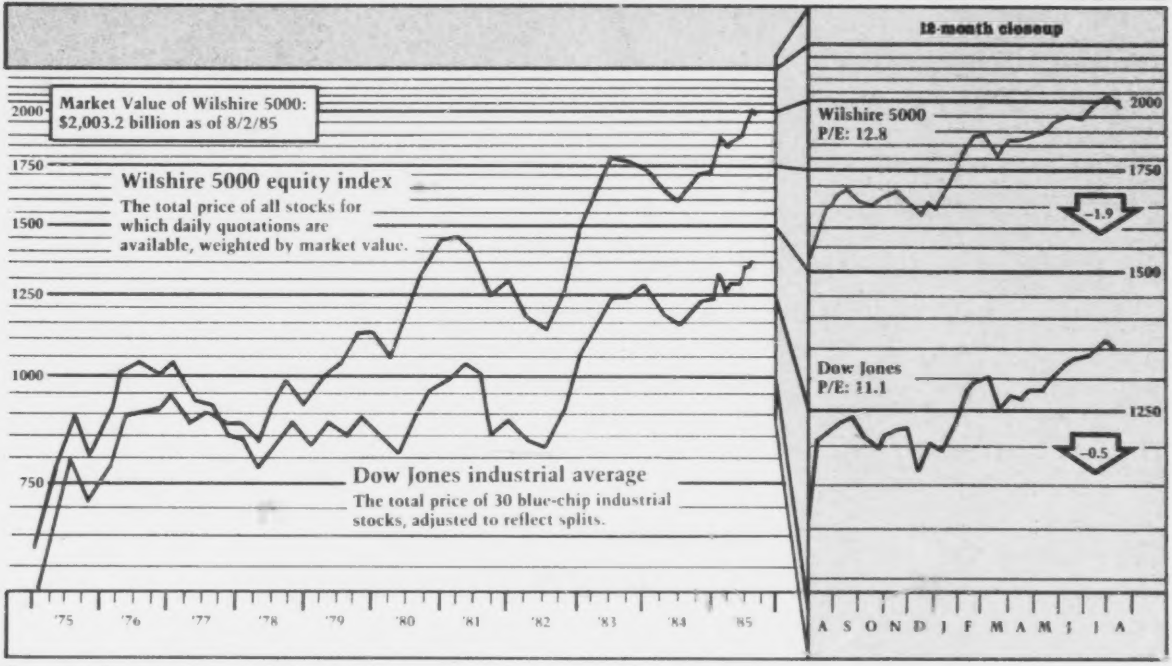
Retail store sales ($billions)
seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Conservative stocks get shaky. Wall Street shied away from utilities, food stocks and other conservative shares that had been popular over the past several months and turned its attention to more speculative shares. The Nasdaq gained 2% during the last four weeks, the Amex 1%. While the Nasdaq is still 7.4% off its alltime June 1983 high, it widened its 52-week performance lead over the Dow industrials: up 23.7%, compared with only 12.6% for the Dow. The yardsticks below show the relative strength of secondary shares over the last month.

During the recent two-week period, however, investors turned tail and sold both secondary and blue-chip stocks. For the two weeks, the Nasdaq slipped 1% and the Amex 0.8%. The average Big Board issue was off 2.1% while the overall market, as measured by the Wilshire, declined 1.9%. Considering that stocks are up 34% over the past year (dividends included), a patch of summer doldrums is perhaps tolerable.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	–0.3	0.1	1.4	–0.7	1.0	2.0
in last 52 weeks	19.7	20.8	12.6	18.9	15.3	23.7

Stock performance based on six key investor yardsticks

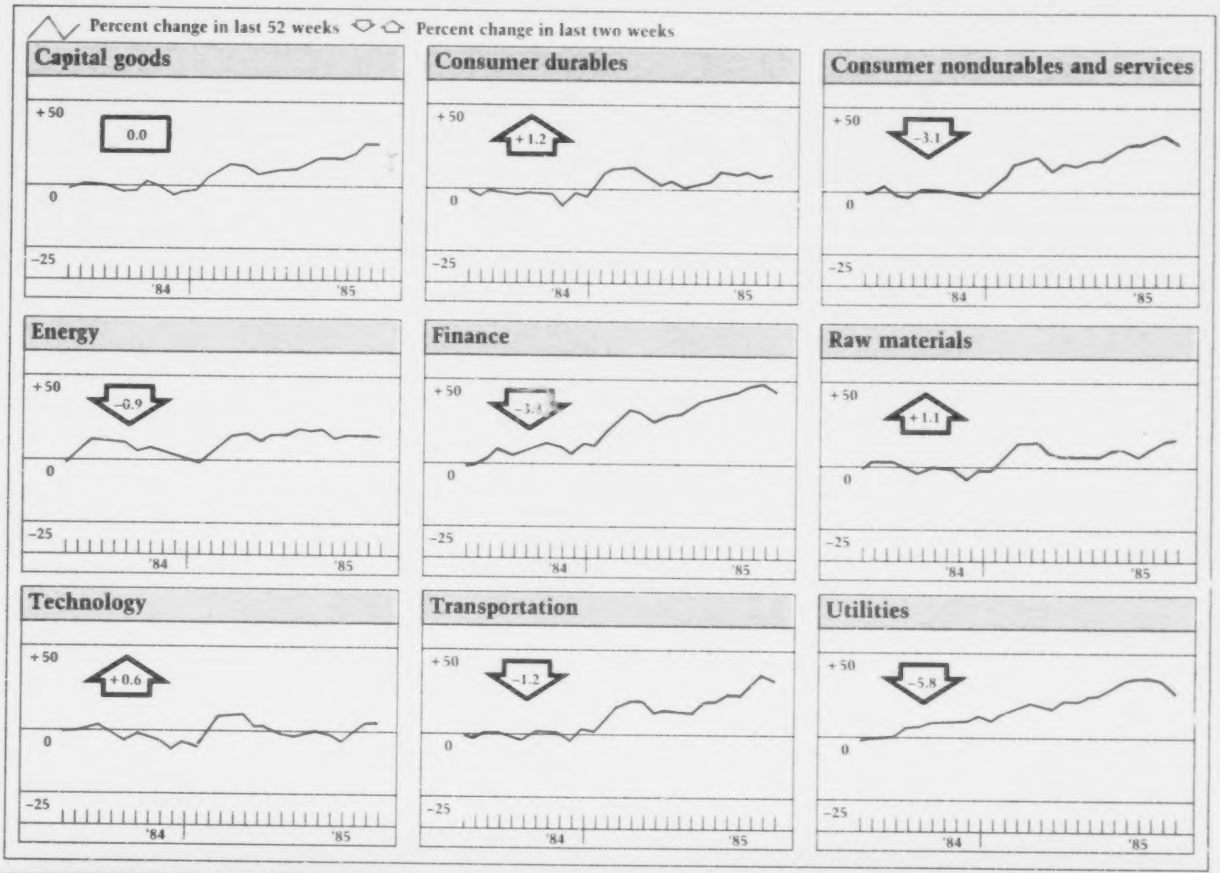
Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	–0.9	4.4	5.0	0.0	3.0	1.1	–1.1	4.3	4.0	0.3	0.6	3.4
in last 52 weeks	23.7	23.4	26.8	35.1	16.7	35.5	31.1	28.7	24.3	32.9	32.1	11.9

[1] Based on sales.
[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 8/2/85. Prepared by Wilshire Associates, Santa Monica, Calif.

Where The Action Is

Are utilities down or out? Almost overnight utility shares went from champs to chumps. During the last two weeks this sector dropped 5.8%, a fall three times greater than that of the overall market. Investors purchase utility shares primarily for their generous yields, but from January to the beginning of July these shares appreciated slightly more than the Wilshire 5000 index. Then, in late July, there was near panic selling, as too many investors decided at the same time to capture their handsome capital gains. Electric companies were hit harder than phone companies. Now that the speculative bubble has burst, utilities are likely to get attention as interest rate plays. Unless rates show signs of rising sharply, utility prices should stabilize.



What The Analysts Think

Darkening forecast for technology earnings. The technology sector had the sharpest cuts in 1985 earnings projections in the last two weeks. At the same time, however, this sector was one of the few bright spots in the market. Investors may be gambling that the outcome for technology stocks will not be as bleak as predicted.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.47	11.6
1985 estimates	3.96	10.2
1986 estimates	4.53	8.9

Rank based on change in estimate	Sector	Estimated 1985 EPS	Estimated 1985 P/E	% change in 1985 estimate in 2 weeks	% change in 1985 estimate in 4 weeks
1	Consumer durables	$4.73	7.7	0.01%	−0.93%
2	Finance	3.27	10.2	−0.02	0.43
3	Utilities	3.39	7.9	−0.14	−0.29
4	Consumer nondurables	2.47	12.9	−0.21	−0.40
5	Energy	3.44	8.3	−0.49	0.10
6	Capital goods	2.73	12.0	−1.07	−2.29
7	Transportation	2.74	10.6	−1.33	−2.41
8	Raw materials	1.99	13.1	−1.44	−3.06
9	Technology	2.57	13.4	−1.84	−3.21

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 8/2/85. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

While the S&Ls have been wrestling with their problems, some savvy investors have been making a killing on their stock.

Buying on bad news

By Ben Weberman and Matthew Schifrin

EACH WEEK Kenneth Rilander, managing director of PaineWebber Capital Markets, sets a couple of associates to updating a 40-page listing of Schedule 13D, 13G and F11 filings. These documents list holdings of 5% or more in savings and loan stocks. Right now, he says, those 13Ds and 13Gs are probably at an alltime high.

The meaning is clear: S&L stocks have been moving into the hands of big and supposedly knowledgeable investors. "The same investors show up in my listings time and again," Rilander says. "They know the industry, and they know the players."

The big players in S&L stocks include hedge funds like Steinhardt Partners and Tiger; the Belzberg brothers; and the big, bargain-hunting Mutual Shares Corp. mutual fund. FMR Corp., parent of the Fidelity Group of mutual funds, has stock positions in 18 thrifts across the country. Others may have five or six positions of 5% or more *(see table)*.

Take Liberty Federal Savings & Loan of Philadelphia, where two smart investor groups, Tweedy, Browne and the Fidelity Fund people, have at times owned 9% and 6.5% positions respectively while the stock moved from 7½ to 30¼ during the past year.

What's the appeal? To a large degree, the S&Ls are interest rate plays. As interest rates drop it costs them less to hire money. An S&L that has bought mortgages yielding, say, 12% is in deep trouble if interest rates rise to 15% or more; but it is in clover if they drop to 8% or 9%. Julian Robertson, general partner of the Tiger and Jaguar hedge funds (FORBES, *Apr. 22*), likes savings and loans that have been trying to insulate their earnings from interest rate swings by offering more variable-rate mortgages. Tiger and Jaguar own 9.8% of Collective Federal Savings & Loan in southern New Jersey and 9.95% of Metropolitan Federal Bank in Fargo, N.D.

Another appeal: as takeover candidates. As more and more companies seek a stake in financial services, S&Ls become attractive acquisitions. Ford Motor Co. is putting almost $500 million on the line to buy $10.7 billion (assets) First Nationwide Financial Corp. at $32 a share. First Nationwide traded as low as 12½ last year.

New York Stock Exchange member Lieber & Co. has been a big player. It took a big position in First Federal Savings of Winter Haven, Fla., whose

The S&L game

Ownership statements filed with government agencies show which thrifts appeal to the big players. Money managers' selections for purchase of big blocks provide a clue to savings associations that should have the best market moves. The list below has been compiled by PaineWebber from filings of 13D, 13G and F11 forms with the Federal Home Loan Bank Board, the Securities & Exchange Commission and the Federal Deposit Insurance Corp. Some holdings have fallen below 5% since the original filing.

Investor	Savings institution	% ownership
FMR Corp	Broadview Financial Corp	7.5
	Downey Savings & Loan Assn	1.7
	First Federal of Michigan	1.4
	Magnet Bank	1.3
	Metropolitan Federal Bank	7.9
	Atlantic Financial Federal	9.0
	First Indiana Federal Savings Bank	1.4
	Great Lakes Federal Savings & Loan Assn	8.0
	Home Federal Savings & Loan Assn or the Rockies	8.4
	Liberty Federal Savings & Loan of Philadelphia	3.2
	NAFCO Financial Group Inc	0.1
	Ponce Federal Bank	6.7
	Savings Bank of Puget Sound	5.4
	The Boston Bancorp	4.6
	Union Warren Savings Bank	9.3
	Washington Federal Savings & Loan Assn	5.6
	First Savings Assn of Wisconsin	7.0
	Westchester Financial Services Corp	7.3
Lieber & Co (Evergreen Mutual Funds)*	Athens Federal Savings Bank	5.0
	Liberty Federal Savings & Loan of Georgia	5.1
	Morris County Savings Bank	5.4
	Mid-State Federal Savings & Loan Assn	8.1
	New Hampshire Savings Bank Corp	6.0
	Numerica Savings Bank	8.0
	Pawling Savings Bank	6.7
	Heritage Federal Savings & Loan Assn	4.8
	First Mutual Savings Assn of Florida	5.0
	First Savings Bank of Florida	4.8
	United First Federal Savings & Loan Assn	4.4
	Saver's Bancorp, Inc	4.2
	The One Bancorp	4.1
Mutual Shares Corp	Sooner Federal Savings & Loan Association	9.6
	First Mutual Savings Assn of Florida	5.8
	Society for Savings	7.1
	The Boston Bancorp	4.2
	The Provident Institution for Savings	9.7
	Union Warren Savings Bank.	9.0

*Figures compiled by FORBES.

shares were selling at 10 in 1983. First Federal was acquired in July for $26.94 a share by another thrift, Philadelphia Savings Fund Society. The same month First Fidelity Bancorp of Newark tendered at 52 for Morris County Savings Bank of Morristown, N.J., which went public at $10.75 in 1983. The Salomon Brothers Thrift Stock Price Index rose 86% from last July to this, an increase nearly three times as great as that for the market as a whole.

The smart money, however, prefers not to invest passively. It tends to go for working control. The reason is obvious: By getting control, investors can force management to do their bidding, change policies or liquidate—whatever is in the new owners' immediate interest.

Garth Marston, chairman and CEO of Provident Institution for Savings, contends that market forces have created a three-tier structure for thrift stocks. "Every thrift whose stock is inactive, such as ours—80% to 85% held by five or six institutions—has in effect three separate prices," Marston says. "The quoted Nasdaq price represents the bid and asked for blocks of 100 shares. The price would be considerably higher for someone buying a block, even as small as 2,000 shares, and much higher for someone trying to get 51% to 100%."

Is the game over? Is the smart money moving on and out? Have the big rollers skimmed off all the cream? Some institutional investors think so, especially those who believe interest rates will go up again. A few years ago Robert Torray, principal of Torray Clark & Co., had almost 20% of his portfolio in thrifts. He is currently managing $2.5 billion. In the last two years Torray has sold them all off. Torray Clark owned about 18% of American Savings & Loan of Florida and substantial amounts of Imperial Corp. and Home Federal in San Diego, Calif. "We must have been the biggest shareholder in the country in thrifts," says Torray. "People are too enthusiastic about them now. I wouldn't touch them today."

And, of course, not all thrifts are equal. Some sit on bad paper and speculative investments. Others are loaded with old, low-interest mortgages. Big investors have the time and clout to analyze the portfolios and know which thrifts are solid and which are riddled with losses. Ordinary investors, however, are playing blindman's buff. For those who think interest rates will drop further, selected thrifts may still be good buys. But recognize: You are scarcely getting in on the ground floor. ■

The S&L game

Investor	Savings institution	% ownership
Putnam Management Co†	Home Federal Savings & Loan Assn of San Diego Imperial Corp of America Great Western Financial Corp	1.0 1.4 0.2
Equitable Life Assurance Society of the US	CityFed Financial Corp Home Federal Savings & Loan Assn of San Diego Great Western Financial Corp	9.8 10.0 1.5
Alliance Capital Management Corp‡	Great Western Financial Corp Golden West Financial Corp CalFed Inc Home Federal Savings & Loan Assn of San Diego	7.6 7.3 5.4 9.5
BEA Associates Inc	Nevada Savings & Loan Assn** First Financial Corp CityFed Financial Corp**	6.4 8.1 5.3
Builtland Partners (Howard Milstein)	American Federal Savings & Loan Assn of Colorado First Savings Bank of Florida Heritage Federal Savings & Loan Assn Home Federal Savings & Loan Assn of Arizona Westchester Financial Services Corp	7.0 5.8 9.9 8.8 9.0
Tiger & Jaguar (Julian H. Robertson)*	Collective Federal Savings & Loan Assn First Federal Savings & Loan of Charleston, SC Great Western Federal Savings Bank Metropolitan Federal Bank Shoreline Savings Bank Capitol Federal Savings & Loan Assn Home Federal Savings & Loan Assn of Palm Beach	9.8 9.0 5.8 10.0 7.3 8.1 4.1
St Francis Investment Co	Valley Federal Savings & Loan Assn First Indiana Federal Savings Bank Collective Federal Savings & Loan Assn	6.9 8.8 5.2

*Figures compiled by Forbes. †A wholly owned subsidiary of Marsh & McLennan Cos Inc. ‡A wholly owned subsidiary of Equitable Life Assurance Society of the U.S. **Investor disclaims beneficial ownership.

Louise Gubb/J.B. Pictures

Kenneth Rilander of PaineWebber Capital Markets
Have the big rollers skimmed off all the cream?

SEPTEMBER 9, 1985 THREE DOLLARS

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Forbes

CREDIT CARD SCAMS

THEY'RE OUT TO GET YOU!

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Forbes

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The glory days are over in big construction, says Red Blount. So what's the next contract?

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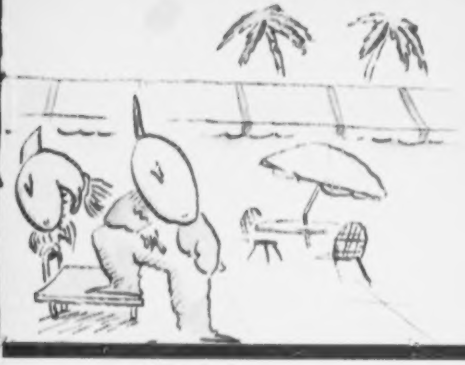

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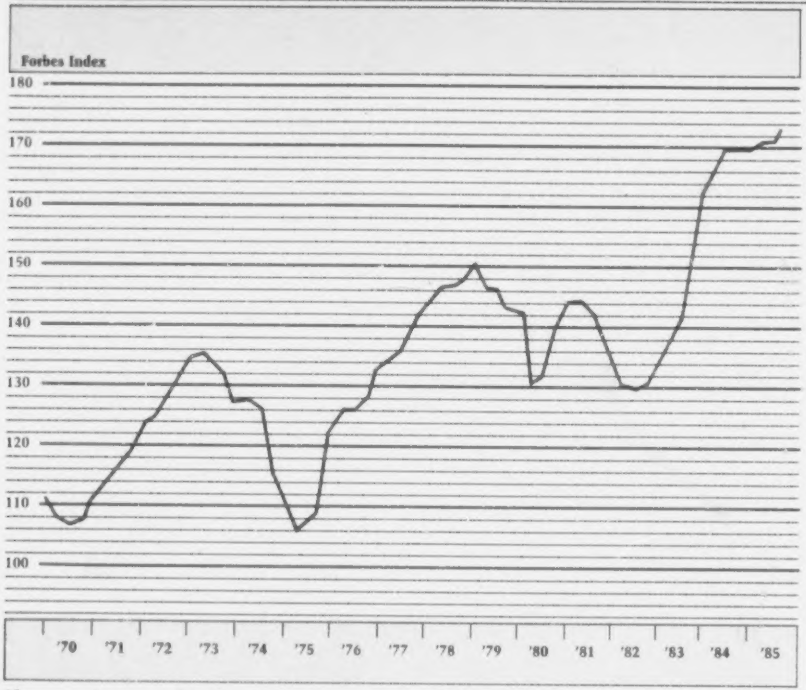
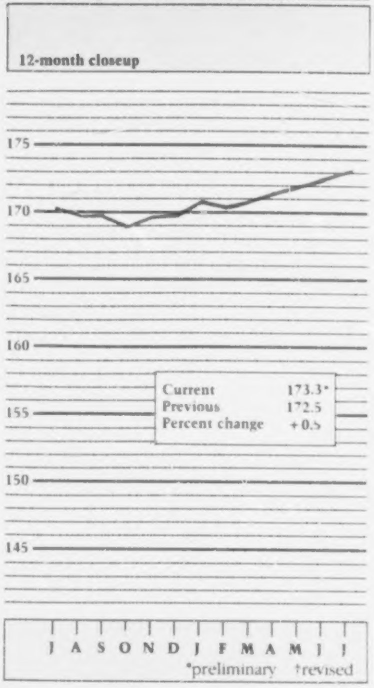
Cover illustration by Wayne McLoughlin

The Forbes Index





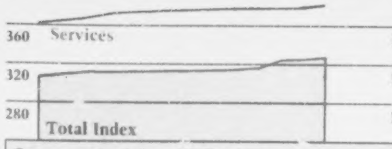
Shoppers' spree—but just a little one. After falling in May and June, retail sales rebounded in July, rising 0.4%. Consumer installment credit, meanwhile, is up 1.4% for the newly reported June period. This figure, however, represents the weakest monthly increase since November. Despite lower mortgage rates, new housing starts continued to fall in July for the third consecutive month, off 1.7%.

Overall, the Forbes Index posted a 0.5% month-to-month gain. Since the start of the year, only one other time, in April, has the Index increased this much. While industrial production is up slightly and unemployment claims showed a tiny decrease, it is the strength of manufacturers' new orders, up a solid 3.6% in June, that has had the greatest influence in elevating the Index.

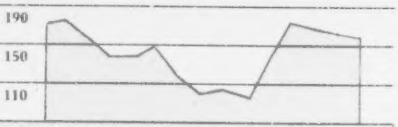
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

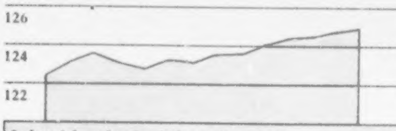
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



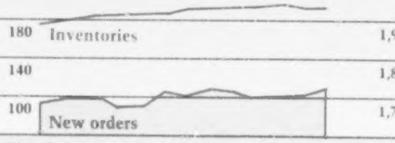
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



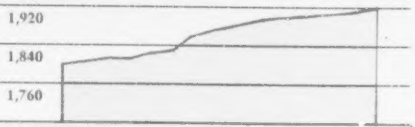
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



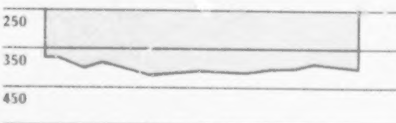
Industrial production index (1967 = 100)
seasonally adjusted (Federal Reserve)



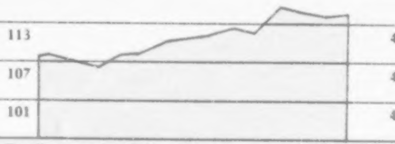
Manufacturers' new orders and inventories
($billions) seasonally (Dept. of Commerce)



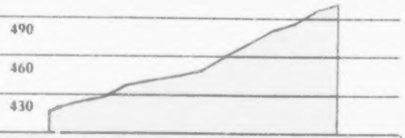
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month
(thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions)
seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

The IRS has blessed a hybrid called "mandatory convertible notes" for banks. But debt by any other name is still debt.

Lord, make me chaste, but not just yet

By Laura Saunders

UNDER PRESSURE FROM federal regulators to increase their primary capital to 6% of assets or better, commercial banks have been up against the wall lately. With many bank stocks selling below book value because of all those precarious foreign and energy loans in their portfolios, banks face the prospect of selling common stock into an unreceptive market and at low prices.

One solution is an exotic new creature called "mandatory convertible notes." In plain English, that means ordinary long-term borrowings that the banks promise to replace with equity sometime in the next 12 years. Call them equity IOUs.

The big question was whether the Internal Revenue Service would recognize the new hybrid as debt. After all, the rights of noteholders are subordinated to those of general bank creditors. Also, at maturity (or call) the notes can be exchanged for equity, although they are expected to be redeemed for cash. So a great sigh of relief went up from bankers on July 29 when the IRS bestowed its blessing on mandatory converts as a legitimate debt instrument for tax purposes.

Equity IOUs

For banks, mandatory convertible notes are like having your cake and eating it, too. The IRS says the interest on them is deductible, but regulators allow banks to count them as primary capital.

Issuer	Mandatory convertibles outstanding (millions)*	% of primary capital
Citicorp	$1,900	20
BankAmerica Corp	1,200	16
Chase Manhattan Corp	900	16
Security Pacific Corp	500	16
Manufacturers Hanover Corp	440	9
Bankers Trust (NY)	400	13
Wells Fargo & Co	300	15
Marine Midland Banks, Inc	250	16
Mellon Bank Corp	250	12
JP Morgan & Co	250	5

*Entire amount may not count as primary capital for regulatory purposes.

Source: Salomon Brothers; Keefe, Bruyette & Woods.

Banks scrambling for capital have already floated nearly $10 billion of them since mandatory converts became popular in 1982 *(see table)*. They sorely need the tax deduction that goes with paying interest on debt rather than dividends on equity. For some, the interest cost of these notes runs over $50 million a year. Several recent issues even contained tax-call provisions in case the IRS ruled unfavorably. "If the IRS had decided they were equity, we would have had to do something drastic," says John Stephan, tax counsel at Bank of America, which has $1.2 billion worth of mandatory converts outstanding.

Now comes the really nice news: The notes may be debt to the IRS, but they're equity to the regulators—the Fed, the FDIC and the Comptroller of the Currency. They allow banks to count mandatory converts as primary capital. Up to 20% of a bank's conventional primary capital—usually common and preferred stock—can be in these new hybrid notes. So the banks get to have their cake and eat it, too.

The only thing left unsatisfied is logic: How can something be both debt and equity? How can both the IRS and the regulators be right? Common sense says this is impossible, and common sense is right. The experts agree that the IRS was right in deciding that mandatory converts are debt. They have 11 out of 13 common characteristics of debt, the IRS noted in Revenue Ruling 85-119. "You know the saying," says John Garry, senior vice president at Morgan Guaranty. "If it looks like a duck and sounds like a duck, maybe it is a duck."

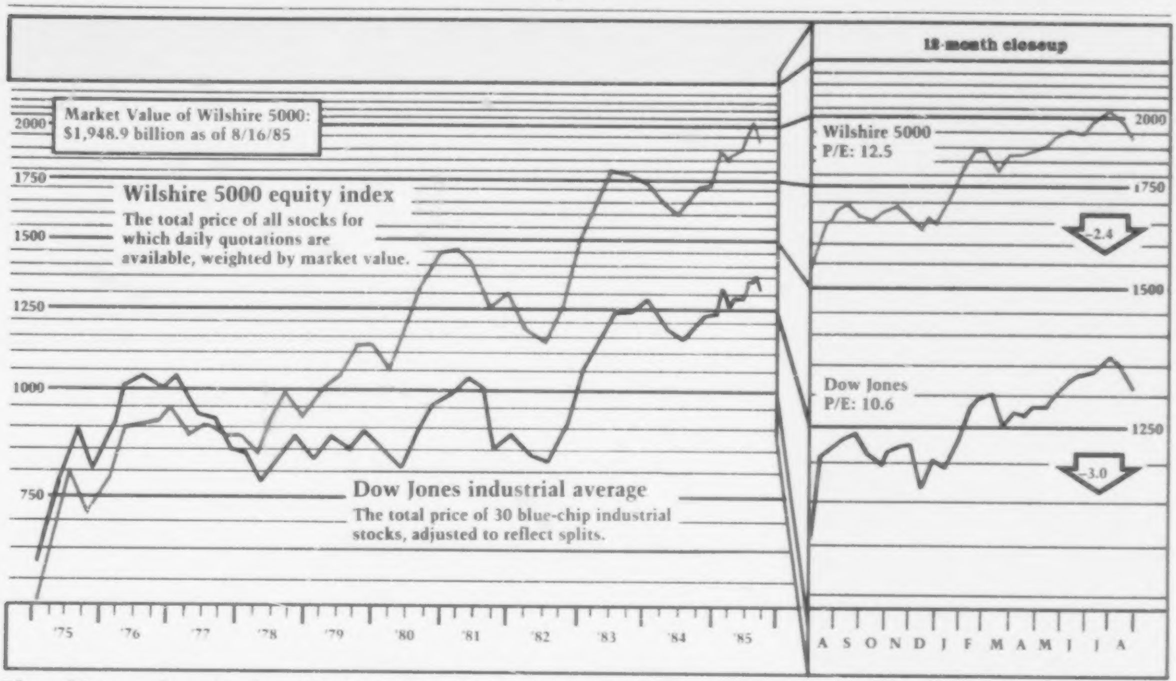
But the IRS was careful to limit it to ducks. It approved only a plain vanilla version of mandatory converts. That should restrain eager underwriters from adding equity bells and whistles to lower interest costs by "strengthening" the conversion factor.

The fact that bank regulators permit this debt—which will become equity only far down the road—to count as equity capital shows how worried they are about the financial health of the banks. Says Ernst & Whinney's David Berenson, "Maybe they think that if they can fool more of the people more of the time, there will be more confidence in the banking system."

Kind of reminds us of St. Augustine's famous prayer: "Give me chastity, but not just yet." ■

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Blue chips weaken. Leading the losers for the last two weeks was the Dow Jones industrial average, off 3%. Is the market retreating from its alltime highs, or is this a temporary correction? It's a question worth asking, inasmuch as the other major indexes also show declines for the latest two-week and four-week periods. The NYSE and the Nasdaq were both off 2.7% over the past two weeks. The broad-based Wilshire index lost 2.4%. The Amex, meanwhile, has been hit least of all over the two- and four-week periods, off only 1.4% and 2.2%, respectively. In part, that's because domestic energy producers, many of which are traded on the Amex, were one of the sectors with the smallest losses.

The Dow now stands 8.3% higher than it was this time last summer. With dividends, the return on big industrial stocks has been not much better than that on Treasury bills. What's worse, only four weeks ago the Dow stood at 23.4% above year-earlier results.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	–4.3	–4.1	–3.4	–4.7	–2.2	–3.7
in last 52 weeks	15.3	16.7	8.3	14.3	11.5	18.4

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	–4.4	–0.1	–0.5	–2.4	–2.4	–2.5	–3.4	–0.8	–0.3	–3.3	–3.7	–0.8
in last 52 weeks	19.5	20.2	22.7	32.6	11.8	31.1	28.2	23.6	20.3	28.4	26.7	8.7

[1] Based on sales.
[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates

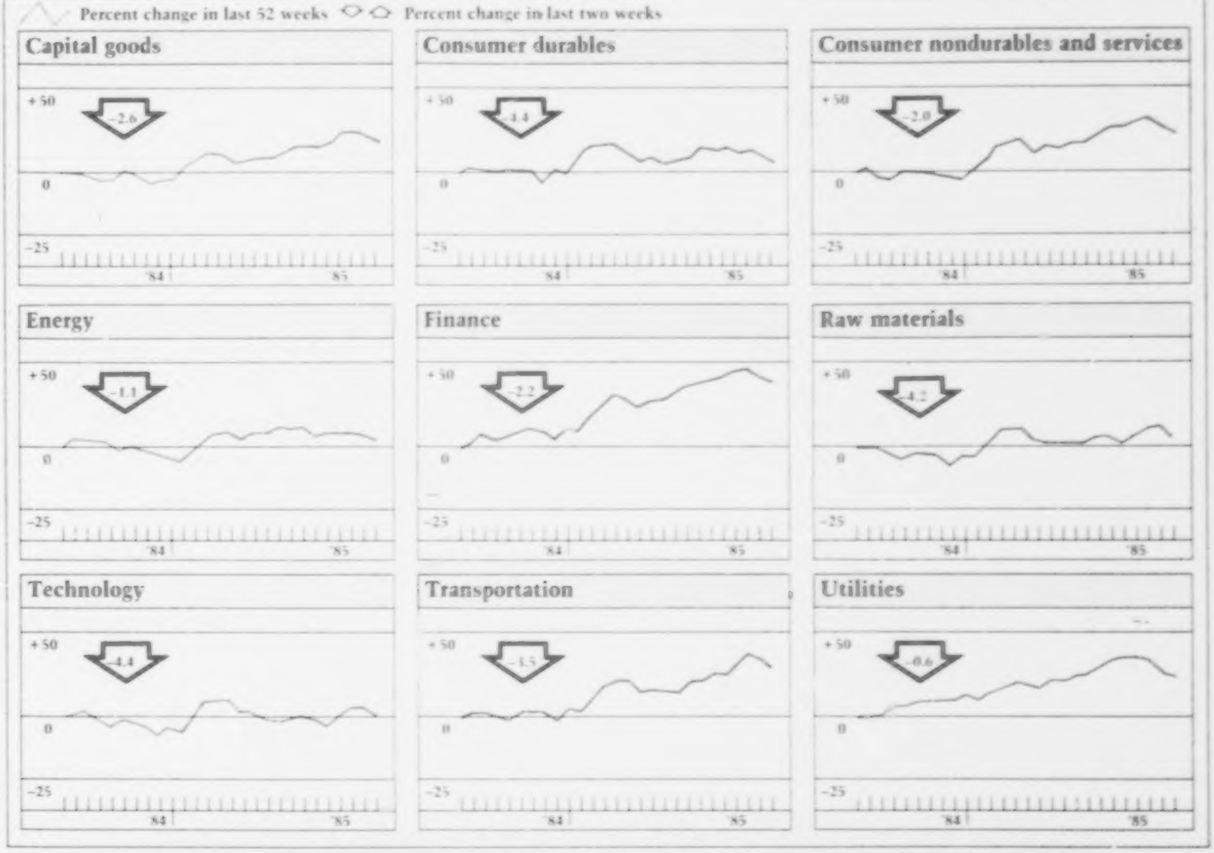
---

Note: All data for periods ending 8/16/85. Prepared by Wilshire Associates, Santa Monica, Calif.

Where The Action Is

Low bets for high tech. Technology shares, which had managed to eke out gains since the start of July, blew a fuse during the latest two-week period, losing 4.4%. It is the only sector to have lost ground over the past year, off 0.6%. (Dividends are scanty in this sector, too.) While would-be bargain buyers might argue that technology stocks are cheap, the question is, compared to what? Compared to former highs, yes, but not necessarily compared to intrinsic value *(see story, p. 142)*.

Tied with technology for worst place over the last two weeks are consumer durables. Only one big firm, Subaru of America, was up; this has been one of the big holdings in fast-growing Fidelity Magellan Fund. Some of the dogs: Whirlpool and General Motors, each off more than 7%.



What The Analysts Think

No rose-colored glasses here. With second-quarter corporate earnings coming in mostly lower than expected, analysts continue to slash earnings estimates on all sectors except finance and consumer nondurables. The technology and raw materials groups received the heaviest blows over both the two-week and four-week periods.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.47	11.3
1985 estimates	3.94	10.0
1986 estimates	4.52	8.7

Rank based on change in estimate	Sector	Estimated 1985		% change in 1985 estimate	
		EPS	P/E	in 2 weeks	in 4 weeks
1	Finance	$3.19	10.0	0.01%	–0.02 %
2	Consumer nondurables	2.47	12.6	0.00	–0.21
3	Utilities	3.38	7.9	–0.18	–0.32
4	Consumer durables	4.73	7.7	–0.45	–0.43
5	Energy	3.42	8.4	–0.63	–1.12
6	Transportation	2.64	10.3	–0.80	–2.19
7	Capital goods	2.72	11.6	–0.82	–1.91
8	Technology	2.58	12.8	–1.22	–3.00
9	Raw materials	1.96	12.8	–1.54	–3.00

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 8/16/85. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

Now that the threat of a southern hemisphere frost has passed, what can sustain coffee prices at current levels?

HAVE ANOTHER CUP—PLEASE

By Stanley W. Angrist

Like those of many of the world's commodities, coffee prices are in a blue funk. Historically, the main driving force for higher prices during the summer months is the threat of a southern hemisphere freeze that might damage the crop. There were a couple of freeze-scare rumors during June and July that sent the market limit up, but there was little or no follow-through.

The statistics look pretty grim for the bulls. The International Coffee Organization (ICO) strives to maintain prices between $1.20 and $1.40 per pound by means of an export quota system. The system comes into play when an average composite cash price crosses certain trigger prices. And, like all cartels, it works far better on paper than in practice. The chief problems are the same ones that OPEC faces now: cheating and oversupply.

Recently, the 15-day moving average of prices dropped below the $1.30 trigger price and prompted a 1-million-bag (132 pounds per bag) reduction in allowed exports. The problem is that so long as cheating goes on and the ICO is unable to keep in touch with changing market conditions, the fundamentals will ultimately determine the price. And the fundamentals are all saying let the buyer beware.

Estimated world production of coffee in the 1984-85 crop year is 93.5 million bags, while consumption is estimated at 91.1 million bags. (The crop year begins Oct. 1.) The 1984-85 crop is the second largest on record, smaller only than that of 1981-82. Moreover, the 1985-86 crop is likely to be a record-setter. The table shows the supply/demand statistics for recent years and estimates for the coming crop year.

Brazil, the world's largest producer of coffee, accounted for about 28% of the world coffee output in the most recent five years. The Brazilian frost season is the major uncertainty affecting midyear coffee prices. An examination of the frost dates for Brazil shows that the latest frost in the past 35 years occurred in mid-August.

Since the season of adverse weather that could affect the crop has passed, it is no longer a factor. So I believe that the only reasonable position to take is to be a bear. While the quota system will try to limit exports from the producers, it seems to me that once again the inherent limitations of cartels will come into play. At any rate, I would be a seller, looking for lower prices.

I would try to sell the December contract above $1.35 per pound. One contract is for 37,500 pounds, so a 1-cent move is worth $375. I believe that coffee prices could fall another 15 cents per pound, or $5,625 per contract. I would risk no more than 6 cents per pound ($2,250 per contract) from my entry point. The margin on this trade is $1,500, while the round-turn commission is about $25 at a discounter.

A second approach would be to initiate a bear spread by selling short December against a long position in March, with March carrying no more than a 200-point premium to the December. I would risk no more than 200 points on this spread ($750 per spread) and look for a 250-point profit ($937 per spread). The margin is $900 and the round-turn commission is about $50 with a discount broker.

Beware! Historically, coffee has been extremely volatile, partly because the market is thin and partly because of the unreliability of the data affecting the crop. If you take either or both positions, monitor them closely. ■

Stanley W. Angrist is a commodity speculator, consultant and longtime observer of the commodity markets.

Too much caffeine

Once again the amount of coffee on hand is going to rise this crop year, which ends on Sept. 30. The prospects are for another bumper crop next year. The ICO cartel tries to keep coffee supplies in balance with usage but its success has been limited. The numbers given below are in millions of bags at 132 pounds each.

	1982-83	1983-84	1984-85*	1985-86*
Beginning stocks	44.9	43.2	44.8	48.0
Production	83.4	90.4	93.5	99.9
Imports	0.7	0.7	0.7	0.7
Total supply	129.0	134.3	139.0	148.6
Domestic usage	20.9	21.6	21.8	22.5
Exports	64.9	67.8	69.2	70.5
Total usage	85.8	89.4	91.0	93.0
Ending stocks	43.2	44.9	48.0	55.6

*Estimated.

Source: The U.S. Department of Agriculture.

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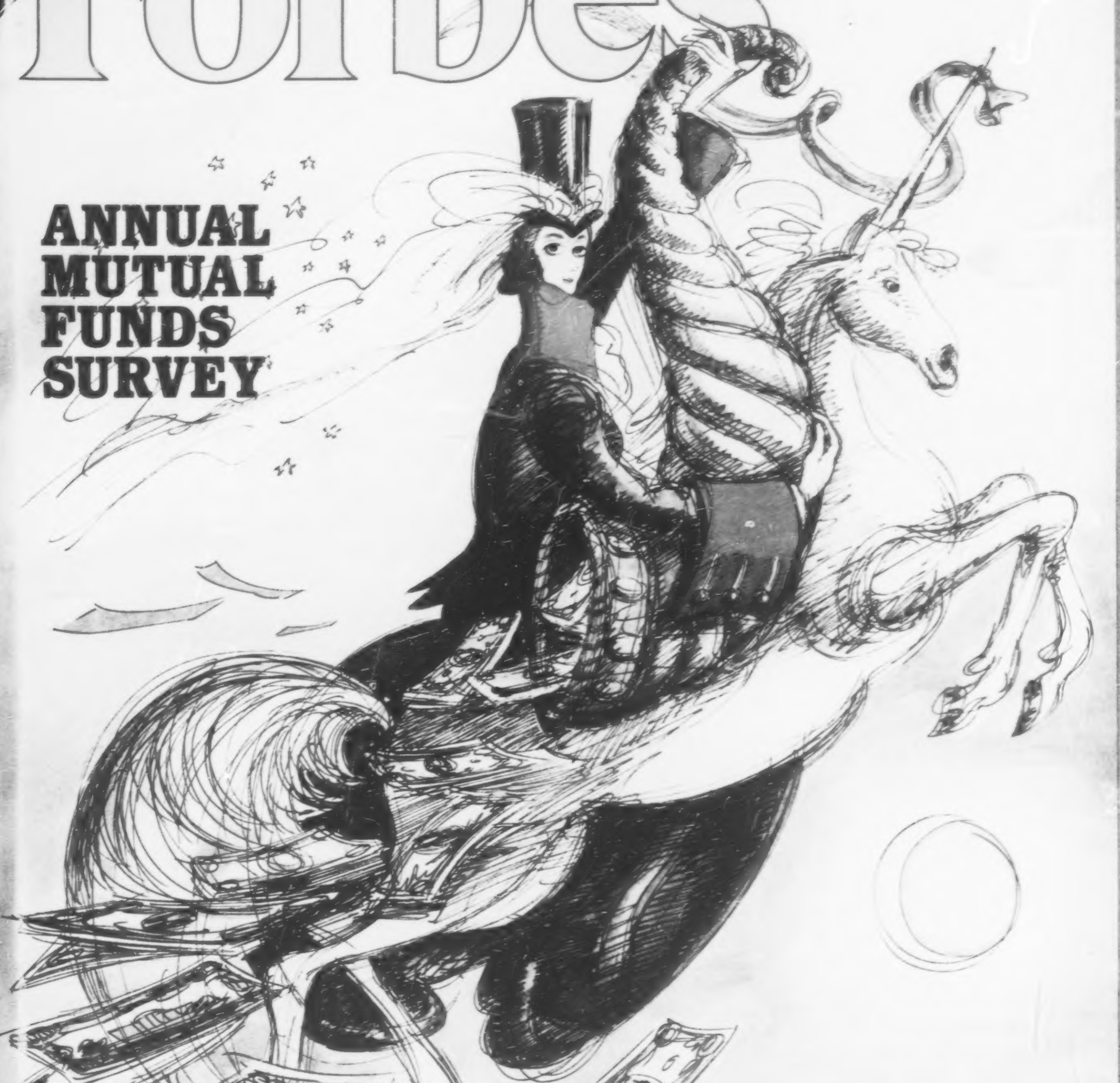
1985 EDITION

SPECIAL ISSUE 1985 FOUR DOLLARS

Forbes

ANNUAL MUTUAL FUNDS SURVEY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Edward Sorel

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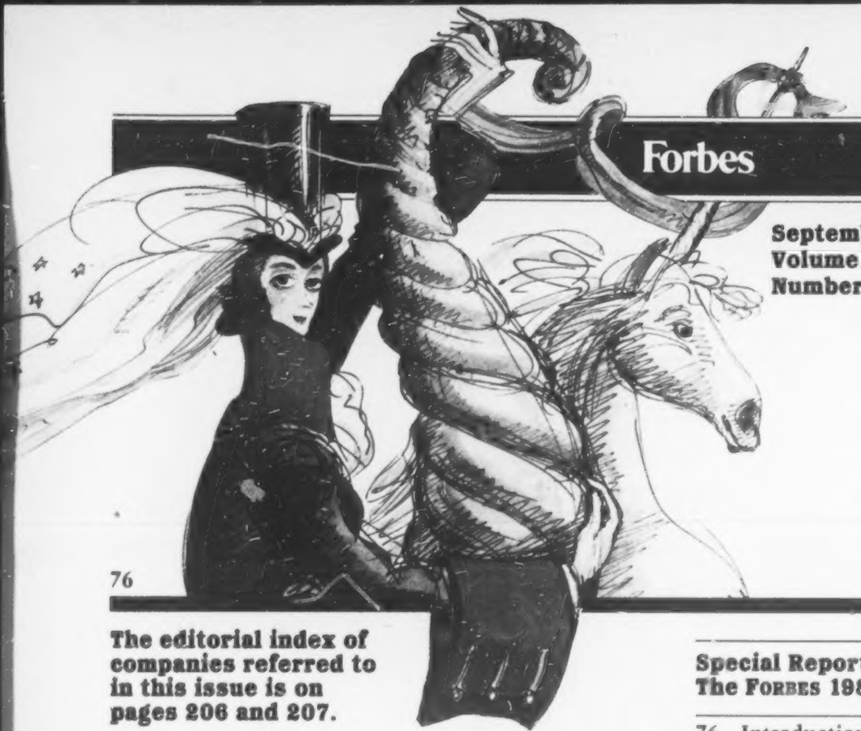

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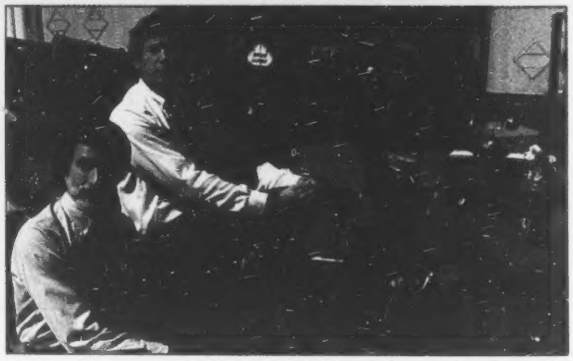

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Cover illustration by Ed Sorel

1985 Annual Mutual Funds Survey

Not for the first time in recent memory, mutual funds are hot. But the hottest funds aren't necessarily the best funds.

The roaring Eighties

By Laura R. Walbert

William Hostler hates to see that red light go on. Its threatening flash in his Valley Forge, Pa. salesroom tells him that people are on the telephone waiting to buy a Vanguard fund but can't get through. As vice president of marketing at Vanguard Group, he would as soon lose a tooth as a customer.

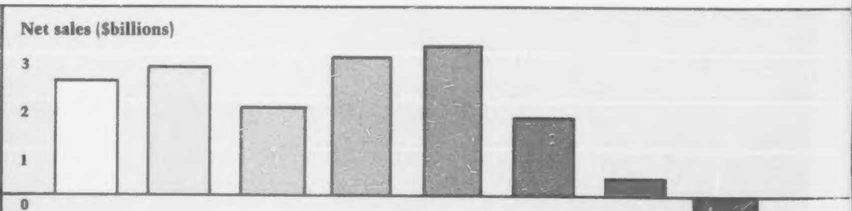
Hostler added 25 lines to the telephone bank in January, but "as soon as the phone company connected the last wire, all 25 lines lit up," he says. By late March the sales department was clocking close to 4,800 calls a day, vs. fewer than 2,250 a day last year. At the quarter's end, Vanguard's retail accounts had grown in number by 280%. At the end of July assets in Vanguard funds totaled $14.2 billion, up from $9.9 billion in December. And the red light keeps flashing.

It's boom time not only at Vanguard, but at Fidelity and Federated and Franklin. Excluding money market and short-term funds, net fund sales in the first half of 1985 totaled $31.1 billion—more than sales in all of 1984 or 1983. First-quarter sales alone beat sales for all of 1982.

Was the business ever this effervescent before? In 1968 it was, although the numbers look small in comparison. That year net fund sales of $3 billion were twice the level of four years earlier. One hot growth stock fund went from $29 million at the end of 1966 to $950 million two years later. Toward the end of 1968, stock in Dreyfus Corp., then

Sizzling again

Mutual funds are hot again, as they were in the late 1960s, and the numbers are bigger than ever before. In the first half of 1985, net sales (excluding money markets) beat the record for any previous full year. It wasn't always like this. Throughout the 1970s, more investors were dumping shares than buying.



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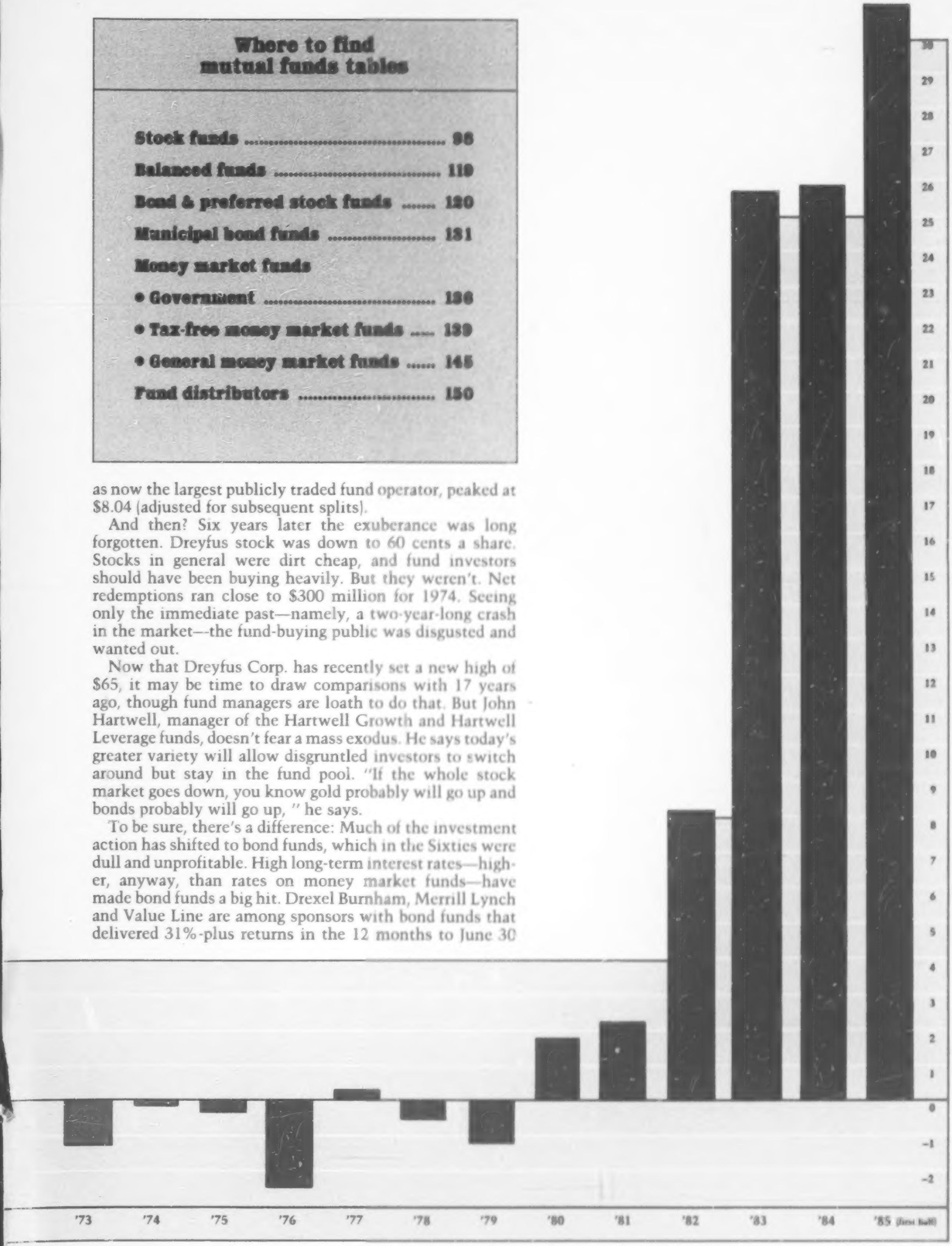
as now the largest publicly traded fund operator, peaked at $8.04 (adjusted for subsequent splits).

And then? Six years later the exuberance was long forgotten. Dreyfus stock was down to 60 cents a share. Stocks in general were dirt cheap, and fund investors should have been buying heavily. But they weren't. Net redemptions ran close to $300 million for 1974. Seeing only the immediate past—namely, a two-year-long crash in the market—the fund-buying public was disgusted and wanted out.

Now that Dreyfus Corp. has recently set a new high of $65, it may be time to draw comparisons with 17 years ago, though fund managers are loath to do that. But John Hartwell, manager of the Hartwell Growth and Hartwell Leverage funds, doesn't fear a mass exodus. He says today's greater variety will allow disgruntled investors to switch around but stay in the fund pool. "If the whole stock market goes down, you know gold probably will go up and bonds probably will go up," he says.

To be sure, there's a difference: Much of the investment action has shifted to bond funds, which in the Sixties were dull and unprofitable. High long-term interest rates—higher, anyway, than rates on money market funds—have made bond funds a big hit. Drexel Burnham, Merrill Lynch and Value Line are among sponsors with bond funds that delivered 31%-plus returns in the 12 months to June 30



(see table, p. 120), thus topping the stock market. The bond fund operators, meanwhile, picked up a lot of converts from bank accounts, where yields were falling. In the first half of 1985, which includes IRA season, net sales of equity funds tallied $4.9 billion. Bond and income funds brought in more than five times as much: $26.2 billion.

The public couldn't seem to get enough of the fixed-income stuff. Prudential-Bache brought out its spanking-new Government Plus fund in mid-March. By the end of April, the seven-week-old infant fund boasted $1.2 billion in assets—the largest fund underwriting ever. Some 84,000 people had invested in a fund with absolutely no performance record. Dean Witter's U.S. Government Securities Trust reached $3.4 billion after one year, making it the third-largest fund in our survey.

With the S&P's 500 up 31% during the 12 months ended in June, equities were also a nice place to be. Most equity funds failed to beat the market again, with the average fund managing only a 22% gain, but that was enough to keep most investors happy.

With the stock market as spotty as it was, the hottest funds for that period were the specialty funds, up on average 34%, according to Lipper Analytical Services. Benefiting from declining interest rates, mergers and suspected mergers, such one-sector funds as Prudential-Bache Utility, Fidelity Select-Leisure, Century Shares Trust, Fidelity Select-Financial Services and Fidelity Select-Health Care were up more than 56% for the 12 months.

Mutual fund marketing men were quick to respond with additional specialized product. Fidelity Select Portfolios, which had 8 different portfolios in June, now has 15. There

A lively anachronism

Boston usually gets credit as the cradle of the investment company business in the U.S., home as it is to 61-year-old Massachusetts Investors Trust and 57-year-old Pioneer Fund. But mutual funds are antedated by another species of investment company. This strange animal, the face-amount certificate company, arose in the Midwest, spread half-heartedly across the country and then receded to its origins. But for a few holdouts in places like Minneapolis and New Ulm, Minn., it would be near extinction.

Face-amount certificates were created in 1894 by former debt collector John Tappan, who founded Investors Syndicate in Minneapolis. Investors sent Tappan something like $5 a month, usually for a period of ten years. They were then rewarded for their frugality by getting back the $600 plus an interest premium on the matured certificate. Tappan invested the thousands he amassed from farmers and mill workers in first mortgages.

Small savers throughout the Midwest had been burned by the financial panics of the 1890s and did not trust banks. A savings program that did not involve banks had a powerful attraction. The certificates kept selling in the 1920s and 1930s, and Investors Syndicate kept faith with its investors, continuing payments to certificate holders throughout the Depression. (One Syndicate salesman used to seek prospects among people waiting in queues in front of collapsed banks.) It wasn't until 1940 that Investors Syndicate, now the giant financial services company IDS, gave another product, the mutual fund, to its salesmen.

The Securities & Exchange Commission counts five surviving face-amount certificate companies, only one with more than $25 million in assets. That is IDS. IDS has $1.4 billion of face-amount installment certificates in force, invested mostly in mortgages and Treasury securities and paying rates close to 9% nowadays. Its salesmen still peddle this investment antiquity in the face of opposition from bank CDs, money market funds, other mutuals and annuities.

IDS salesman Joe Lovoy works the Florida panhandle for the company and for years has ranked among the top sellers of certificates. He tells of a grandmother, daughter and granddaughter who all have bought certificates. He likes to recall the bank president who bought a controlling interest in his firm with certificate savings. Face-amount certificates seem to have some homely virtues not widely appreciated in an era of whiz-bang select portfolios and government plus funds.—**Christopher Power** is not merely a Select-Technology but a Select-Computers and a Select-Software & Computer Services and a Select-Electronics.

Why do fund managers love specialized funds? In any short market period some sector is bound to top the performance charts, and naive investors are sure to make that sector fund a big seller. Assets in the small but growing group of specialized funds rose from $1.5 billion to $6 billion in the first half of 1985 alone.

Where's all this money coming from? Individual retirement accounts and pension and profit-sharing money are giving the funds a big boost. The Investment Company Institute, the funds' trade organization, says that funds control 14% of IRA assets, having captured 1½ percentage points from the banks since last December. Institutional investors account for a surprisingly large $140 billion, or 38% of mutual fund assets, according to the ICI. "Institutions" include churches, hospitals and small corporations that use money market funds, as well as bank trustees and pension plan sponsors who use all sorts of funds.

Alas. If there is such a thing as a safe prediction in investing, it is this: A trend will often end just when it looks as if it will last forever. This trend will be no different. Thus, the wise investor will avoid the fads, the flashes-in-the-pan, the fund managers who become media celebrities, and put his or her money in funds with long, proven records—the funds that show up best in the Forbes Consistency Ratings. ■

What did you do for us tomorrow?

The most dazzling performer in the mutual fund business over the last decade has been Peter Lynch, 41. Since Lynch took charge of Fidelity's Magellan Fund eight years ago, the fund's share value has ballooned elevenfold. Not surprisingly, new shareholders and new money have been pouring in. Assets stood at $3 billion in August.

Had you put $10,000 into Magellan on Sept. 30, 1976—three market cycles ago, as FORBES defines them—you would have $103,139 now, and that's after taxes for an upper-income investor *(see table, p. 80)*. But while the dollars were piling up, most investors were stuck on the sidelines. The fund was closed, except to certain Fidelity employees, from 1977 to 1981.

How about the next ten years? No question that Lynch is one of the best money managers in the U.S. But he is also a forthright person and says frankly there is almost no chance he could repeat the gains of the past eight years. Indeed, if Magellan kept up its 33.3% long-term annual return for another decade, it would have $51 billion in assets, without any influx of new money at all. It won't happen.

Lynch agrees. He says, "I think the market will have to go up fivefold for Magellan to go up tenfold in the next eight years." Since he doesn't expect to see the DJI at 6500, he clearly doesn't think Magellan can go up tenfold. "To go up tenfold, you'd have to buy a much smaller fund than Magellan," he says.

The outstanding performers usually are smaller funds, but give Lynch credit: Even after Magellan passed the $1 billion mark, it did well. During the 12 months ended June 30, Magellan shareholders enjoyed a 38% gain, while the S&P's 500 delivered 31% (both figures include reinvested dividends).

Lynch says that managing billions instead of millions puts less of a strain on him than it might on other managers because he is accustomed to spreading his money across a large number of individual stocks. "When the fund was $30 million I think I owned 100 stocks, and when it was $100 million I owned 200 stocks. For people who are used to running 25 stocks, it could be a problem if you go to $1 billion," he says.

And Lynch has remained loyal to his strategy, which is to pick stocks rather than to pick market turns. "I think a lot of funds, when they get bigger, change their role and try to become market players, predict M1 and M3 and all these other deals. We haven't done that. We've always remained fully invested," he says.

Hank Morgan

Peter Lynch, manager of Fidelity's Magellan Fund
If he kept it up, he'd have a $51 billion fund.

Even so, Lynch says the fund's enormous size is far from optimal. "It's very obvious that if you have to buy 400,000 shares of stock instead of 40, it's going to take you longer and you are more likely to push the price up doing it," he says. (The fund has, for example, over 2.3 million shares of Volvo.) And these days, Lynch has to find 300 suitable small stocks instead of 30 if he wants the same impact on the fund.

Put it this way: Lynch is good, darned good. But he doesn't walk on water.—L.R.W.

The honor roll

A MARKET CLAIRVOYANT could pick a mutual fund with little effort. If the Dow is going to be up strongly over the next couple of years, you take a risky fund that buys expensive growth stocks and rates an A or A+ in up markets. If the market is going to be on the skids, then you pick a fund with an A or A+ for down markets.

Unfortunately, we don't know any stock market clairvoyants—although a lot of people claim to be such. Nobody really knows what the stock market is going to do next; thus the wise investor puts his faith in money managers who can perform reasonably well whether the market goes up or the market goes down. Using our carefully refined and time-tested measures of performance consistency, FORBES annually selects an honor roll of funds for all seasons. These funds finish in the top half of the pack in both bull and bear markets. They also deliver good performance over a long term—namely, three market cycles. As we define these cycles, the long term is an 8¾-year period ended June 30, 1985.

The 23 funds listed here earn a B or better grade in both up markets and down markets. They also have a 20% or better average annual return over the long pull. If 20% doesn't turn you on, it should. At 20% compounded, money doubles in less than four years, sextuples in ten.

There are some startling changes in the honor roll list this year. Gone from the roll are such stars of yesteryear as

Fund/distributor	Performance UP	DOWN	Manager (years with fund)	Net assets 6/30/85 (millions)	Maximum load	Annual expenses per $100 assets
Acorn Fund/Acorn	B	A	Ralph Wanger (15)	$ 269	none	$0.85
Amcap Fund/American Funds	B	A	Marjorie Fisher (14)	1,209	8.50%	0.69
American Capital Pace Fund/American Cap	B	A+	John Doney (6)	1,521	8.50	0.62
American Capital Venture Fund/American Cap	B	A	Steve Hayward (2)	438	8.50	0.72
Claremont Capital Corp/closed end	B	A+	Erik Bergstrom (9)	44	NA	1.03
Evergreen Fund/Leiber	A+	B	Stephen Lieber (14)	323	none	1.10
Explorer Fund/Vanguard	A	B	Frank Wisneski (6)	355	†	1.00
Fidelity Destiny Fund/Fidelity	B	A	George Vanderheiden (5)	764	NA**	0.70
Fidelity Magellan Fund/Fidelity	A+	A	Peter Lynch (8)	2,879	3.00	1.12
Growth Fund of America/American Funds	B	A	James Rothenberg (4)	606	8.50	0.68
Janus Fund/Janus	B	A	Thomas Bailey (16)	412	none	1.06
Loomis-Sayles Capital Development Fund/NEL	A	B	Kenneth Heebner (9)	169	†	0.70
Mass Cap Development Fund/Mass Financial	A+	B	William S. Harris (15)	785	7.25	0.75
NEL Growth Fund/NEL	A	B	Kenneth Heebner (9)	216	8.00	0.75
Nicholas Fund/Nicholas	B	A+	Albert Nicholas (16)	462	none	0.82
Over-the-Counter Securities Fund/Review	B	A	Binkley Shorts (4)	114	8.00	1.28
Pennsylvania Mutual Fund/Penn Mutual	B	A	Charles Royce (12)	292	†	1.18
Pioneer II/Pioneer	B	A	David Tripple (11)	1,834	8.50	0.71
Scudder Development Fund/Scudder	B	A	Edmund Swanberg (14)	254	none	1.34
Sigma Venture Shares/Delfi Capital	A	B	Richard King (8)	68	8.50	0.99
Tudor Fund/Weiss, Peck	A	B	Melville Straus (10)	130	none	1.59
Twentieth Century Select/Twentieth Century	A+	B	fund has four managers	1,076	none	1.01
United Vanguard Fund/Waddell & Reed	B	B	Hank Herrmann (9)	409	8.50	1.04

[1] Average of price-to-earnings ratios for stocks in portfolio, weighted by size of holdings. [2] Value on 6/30/85 of $10,000 invested 9/30/76, after taxes, for hypothetical upper-income investor *(see text for details)*. [3] Fund has net margin position. †Fund not currently selling new shares. **Monthly contractual plans only. NA: Not available or not applicable.

Templeton Growth, Mutual Shares and Windsor. All were longtime honor roll members until they dropped this year to a C for up markets.

Two factors are at work. First, the addition of a new up period that began last summer forced us to disregard a more dramatic, earlier up period, the one that came off the bottom of the 1973-74 market crash. Funds that did particularly well in that early rebound suffered from the shift. But we dropped that earlier period because we felt it had become ancient history.

Second, extreme conservatism, much as it is good for extremely conservative investors, is penalized in our grading curve. To get a B in up markets a fund has to finish in the top 45% of all funds in up-market performance. But funds with defensive portfolios—large cash positions, low-multiple stocks—can do well over a long period while nonetheless looking mediocre in bull markets.

Here's why the consistency we emphasize is so important: An investor doesn't know when he's going to need his money and may have to cash out after less than a full market cycle. He should have some hope of keeping in the top half of the pack in fair or foul weather.

For the investors who know they will be investing long term, and for the risk-averse, four funds that fail the B-up rule deserve an honorable mention here. Lindner Fund, Sequoia Fund, Mutual Shares and Windsor have good long-term performance and have lost little or no money in any of the three down markets since 1976.

One more thing to bear in mind: We grade stock-picking skill, not investment results. But taxes and sales commissions do cut into the investor's return. The column "Hypothetical investment results" addresses this point. Here we have computed the sum that an initial $10,000 stake would have grown to over the 8¾ years, after federal income taxes and load, if any. (We assume tax rates that would have applied to someone with $100,000 of gross income in constant 1984 dollars, deductions equal to 20% of income and four exemptions.)

Those tax assumptions hurt the investment results of funds that deliver much of their results in the form of income dividends. They help funds that pay big capital gains dividends, taxed at favorable rates or, better still, have a lot of unrealized appreciation, i.e., winning stocks that haven't been sold. Fidelity Magellan has good aftertax results, in part because early shareholders have a lot of profit in the form of a sixfold appreciation in the price of their Magellan shares. So long as those holders don't sell, they don't owe big taxes. For more on tax strategies, see story on page 83.

Several honorees are closed to new investors: Explorer, Loomis-Sayles Capital Development and Pennsylvania Mutual. So are two runnersup: Sequoia and Lindner. Vanguard Group, sponsor of Explorer, has opened an Explorer II, but it has a different manager.—**William Baldwin**

Minimum investment		Weighted average	% of assets	Portfolio	Average annual total	Hypothetical investment	Fund
Non-IRA	IRA	P/E[1]	in cash	strategy	return	results[2]	(consecutive years on honor roll)
$1,000	$ 200	19.3	5.1%	small co growth	20.6%	$42,642	**Acorn Fund** (2)
1,000	250	14.7	7.8	growth	21.5	42,640	**Amcap Fund** (7)
500	50	16.8	9.0	aggressive growth	27.5	64,454	**American Capital Pace Fund** (4)
500	50	NA	7.2	aggressive growth	24.9	50,885	**American Capital Venture Fund** (3)
NA	NA	NA	28.0	growth	23.1	53,307	**Claremont Capital Corp** (2)
2,000	2,000	12.6	8.9	growth	26.4	65,262	**Evergreen Fund**
3,000	500	22.6	15.7	small co growth	20.7	43,408	**Explorer Fund**
NA**	NA**	11.8	4.8	growth	22.1	37,420	**Fidelity Destiny Fund** (3)
1,000	500	13.3	–4.0[3]	growth	33.3	103,139	**Fidelity Magellan Fund** (4)
1,000	250	22.0	13.4	growth	22.3	47,931	**Growth Fund of America** (3)
1,000	250	22.4	13.8	aggressive growth	20.9	39,832	**Janus Fund** (4)
250	25	22.7	2.3	growth	22.7	47,278	**Loomis Capital Development Fund**
0	0	15.9	7.9	growth	23.8	48,960	**Mass Cap Development Fund**
250	25	19.5	1.4	growth	22.2	44,399	**NEL Growth Fund**
500	500	12.7	37.7	growth	25.4	62,581	**Nicholas Fund** (4)
500	500	14.9	4.9	small co growth	23.4	47,500	**Over-the-Counter Securities Fund** (4)
2,000	250	14.1	14.6	small co growth	22.6	47,630	**Pennsylvania Mutual Fund** (2)
25	250	14.6	6.1	growth and income	20.7	37,469	**Pioneer II** (4)
1,000	240	20.0	14.1	small co growth	20.8	48,041	**Scudder Development Fund**
0	0	NA	14.8	small co growth	22.7	50,798	**Sigma Venture Shares**
1,000	250	24.9	4.0	aggressive growth	21.5	52,608	**Tudor Fund**
0	0	14.2	8.0	growth	28.0	75,952	**Twentieth Century Select**
500	50	12.6	30.1	growth	21.0	40,086	**United Vanguard Fund**

A lot of money has been lost betting against the dollar. But if you think its recent fall means the knell has finally sounded, then a foreign stock fund is a good bet.

If you want to sell America short

By Christopher Power

WILL THE DOLLAR continue its downward drift that began in February? That would generate nice returns for a U.S. investor in mutual funds that buy foreign securities, of which there are at least 38 to choose from. Even for astute and well-informed investors who normally pick their own stocks, foreign shares are unfamiliar territory; a mutual fund may be the wisest way to go.

Greg Couch

It's easy to be wrong about currency fluctuations, but it's also easy to make a case for buying some foreign stocks as a form of diversification. For most individuals, a fund that buys foreign securities is a simple way to sell the dollar short. There are no margin calls or big risks, as with currency futures and options.

Despite the steady erosion during the spring and summer, totaling 11% on a trade-weighted basis, the dollar remains 36% above its July 1980 level. Now, some money managers are talking about a further drop of 10% to 30% by 1987, on top of the 11% decline so far. If that happens, money invested in deutsche mark or French franc or yen stocks will appreciate in dollar terms even if it doesn't appreciate in terms of the local currency.

Richard Foulkes, international investor for Vanguard's Ivest, has been buying into consumer credit companies and construction firms abroad to take advantage of the drop in interest rates he expects a weakening dollar will trigger in Japan and Europe. Walter Oechsle of Putnam International Equities has already shifted his Japanese portfolios from the exporting firms that thrived on the strong dollar to the domestic issues which don't rely on foreign trade. And Merrill Lynch is offering perhaps the purest dollar play of all in the fund market: a series of unit investment trusts that hold corporate and government debt from Europe, Canada and Japan.

A note on the lingo of foreign funds: A "global" fund buys U.S. as well as foreign securities. The prototype is the 31-year-old Templeton Growth Fund, which started out in Canadian stocks, bought Japanese stocks in the early Seventies when they were cheap and now is more heavily in the U.S. An "international" fund, by contrast, invests solely abroad.

The global funds have outperformed the international funds 2-to-1 in the last ten years, according to Lipper Analytical Services. But if you want the purest possible antidollar play for your money, an international fund is more appropriate.

Whether global or international, a truly seasoned fund in this category isn't easily found. Of the 38 international and global funds tracked by Lipper, 24 aren't even old enough to have five-year records. And these fledglings do not come cheap, for the usual reasons. "The brokers smelled an opportunity in the marketplace to make money," explains Nicholas Bratt, portfolio manager for no-load Scudder International. As a result, front-end loads on these funds can range as high as 8.5%. That doesn't include management fees and expenses, which in some funds can eat up almost 2% of net asset value annually. With the dollar strong in recent years, foreign funds have performed poorly, making them a doubly bad investment.

But times change. The faltering dollar is now giving these badly squeezed funds a rest. Keystone International, which logged a mediocre 8% average annual return over the past five years, is up 11% in the first half of 1985. Scudder, which lost 2.4% of its value for the year ended in March, is up 13% for the six months through June. If the dollar continues weak. . . . ■

World view

The weakening of the dollar and strong foreign markets have boosted the performance of funds that invest abroad, a selection of which is listed here. But "global" funds, whose horizons include U.S. equities, still fare better as a whole than the "international" variety, with purely foreign portfolios.

	Last 12 months total return
Global funds	
Dean Witter World Wide Invest	13.4%
First Investors Intl Securities Fund	–1.7
Ivest Fund	22.8
New Perspective Fund	18.0
Oppenheimer AIM Fund	–2.4
PaineWebber Atlas Fund	25.4
Pru-Bache Global Fund	22.2
Putnam Intl Equities	27.8
Templeton Global I	29.5
Templeton Growth Fund	24.3
Templeton World Fund	27.9
United Intl Growth Fund	14.9
World of Technology	–1.7
International funds	
Canadian Fund	23.9
EuroPacific Growth	12.6
FT Intl Fund	—*
GT Global/Growth-Pacific Fund	7.3
IDS Intl Fund	—*
Kemper Intl Fund	5.1
Keystone Intl Fund	15.4
Merrill Lynch Pacific Fund	36.8
T Rowe Price Intl Fund	10.8
Scudder Intl Fund	14.7
Templeton Foreign Fund	16.4
Transatlantic Fund	6.4
Trustees' Commingled Fd Intl Equity	16.4

*Fund not in existence for full period

bet that many will default in the next serious recession.

Investor Warren Buffett, speaking at the same Columbia forum as James Rogers, reiterated that today's junk bonds are different from yesterday's. "A statistical study that shows the historical experience of junk bonds is a lot of nonsense in terms of determining the way the world is going to work in the future," Buffett declared. "[Today's bonds] are an entirely different species."

Rogers' fear is that in the next recession a few big junk bond defaults might lead the regulators to force savings and loans or insurance companies to sell their low-quality bonds. This could cause a crash in the junk market, and perhaps liquidity problems for insurers and thrifts. If the Fed tried to bail them out with easy money, the currency would turn into what Rogers calls "confetti."

For those who are willing to take the risks, mutual funds investing in low-quality bonds do offer high yields. But remember: You are certainly not buying Treasury bonds or money market instruments. ■

While you're busy buying and selling your mutual fund, your fund manager could be buying and selling you.

A price on your head

By Mary Kuntz

ACCORDING TO the Investment Company Act of 1940, the manager of a mutual fund is a hireling selected by the independent board of directors, which is in turn selected by the fund's shareholders. It's all very rational. All very democratic. And quite untrue. In the land of Oz it may be so, but it isn't so here.

The reality is that the manager is in control, hand-picks the board and can buy and sell his shareholders—or at least his control over their money—almost as if he ran a slave auction. This works because few investors will cash out just because management changes. This loyalty—lethargy might be a better word—makes it possible for fund managers to sell to an outside party the right to manage the money that you originally entrusted to them.

What are these shareholders worth? Anywhere from 2% to 5% of the assets they have in the fund, depending on their age, size of holdings and even address.

We don't want to push the analogy too far, but it's a little like czarist Russia. A country estate changes hands and the buyer pays so much for the land, so much for the mansion and so much for the loyal serfs. Shareholders as serfs? Kind of, yes. You have one fellow paying another fellow for the right to manage money that doesn't even belong to the seller.

For that, thank the bullish stock market, the popularity of IRAs, the ability of fund managers to collect stiff fees and the complacency of most investors. A well-established fund operator can enjoy an operating profit margin of almost 50% on what is, these days at any rate, a fast-growing income stream.

Eat your heart out for not having bought, at the bottom of the 1974 bear market, shares of Dreyfus Corp., one of five publicly traded fund management companies *(see table, p. 93)*. If you had done so, you would be sitting on a 10,000% gain now. Stock in Franklin Resources, a fund operator that has a thriving business in fixed-

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income funds, has gone from ½ to 34 since 1980.

The sale price on privately owned management companies has gone up, too. "At one time an acceptable price as a percentage of assets was 0.5%. Today that figure goes from 2% to 5%," says Stanley Egener, president of Neuberger & Berman Management Inc. of New York City, who scouts out potential fund acquisitions.

Figure it this way. If you have $100,000 in a fund, the fund's manager is able, by selling the management contract, to realize anywhere from $2,000 to $5,000 simply by transferring your money to another manager.

Earlier this year John Hartwell, 69, struck an agreement with Worms & Co., the U.S. affiliate of Paris-based Worms Group, to sell his 75% interest in JMH Management Corp. over a five-year period. JMH manages $150 million, including $50 million in the Hartwell Growth Fund and Hartwell Leverage Fund. The price tag on the stock sale is contingent upon earnings, but it can't be less than $2 million. That implies the management company is worth 2% of the assets it has under control.

Why does the market accord funds such flattering values? Economies of scale are part of the reason. "The average account size in the fund business years ago used to be $3,000 to $4,000. Now the average account size in an equity fund is $7,000 to $8,000," says Egener.

So? So this: It costs hardly anything more to handle an $8,000 account than a $3,000 one. Another reason: The costs of launching a fund have gone through the roof. It costs maybe $200 to put a new account on the books, vs. maybe $25 just 20 years ago. That makes it more attractive to buy an existing fund than to start a new one from scratch.

Prices, of course, vary. Stability counts. If you and your fellow shareholders have been taking out more money than you've been putting in, that will be discounted by a potential acquirer since the future income could shrink along with the assets. Conversely, those shareholders who regularly and faithfully add to their investment are worth extra—hard-working serfs.

Fund buyers look at the fee structure, too. Can fees be raised? Are they already so high they could draw a lawsuit? What about the 12b-1 plan, which permits the operator to dip into shareholders' assets to cover his marketing costs? "That has to go through the board of directors and a shareholder vote. If it's in place already, that adds value," says Egener.

Where you live matters. Most people like to keep their money no more than two mail days away. A New York fund operator considering the purchase of a California fund would have to factor in the possibility that some California shareholders would choose to cash out rather than send their money all the way across the country.

Then there's the age factor. Says John Hill, a general partner at Meridien Capital Co., a Greenwich, Conn. investment advisory firm, "A lot of the older mutual funds have a very old client base. Some of these big old funds started in the Thirties and Forties. Probably the average age of their investor is 70. I would want to discount that. A lot of those investors are going to be dying, and the funds are going to be redeemed by their estates."

And, of course, the amount of money you commit to the fund matters. If you've kept a net investment in your fund of, say, a couple of hundred dollars, potential buyers are going to look at you as a liability rather than an asset. When Neuberger & Berman bought control of the Manhattan Fund in 1979 from CNA Financial Corp., Manhattan had assets of about $42 million shared by some 105,000 shareholders. The average holding was a piddling $400. Neuberger begged small holders to cash out and has reduced their population by 55,000.

Helping to offset the expense of so many tiny holdings at Manhattan Fund was some $100 million in capital loss carryforwards in the fund that made Jerry Tsai famous. Tsai bailed out after selling the fund to a dumb insurance company for $30 million. The fund's losses—a legacy of lousy stock selection— were available to shelter subsequent gains, an attraction for sophisticated fund investors. Neuberger & Berman bought control of Manhattan Fund and several other CNA funds for 0.5% of net assets. The bad smell Tsai left behind accounts for the low price. Deodorized since by good performance, Manhattan Fund has become a valuable property for Neuberger & Berman.

Just as Manhattan's poor reputation made it available cheap, other funds become valuable because they have established excellent reputations for performance. Last year Kansas City Southern Industries bought into Janus Capital, which had $360 million under management. Kansas City Southern bought an initial two-thirds stake in Janus for $11 million—in effect paying a sky-high 4.6% of assets under management.

However, part of the deal was Thomas Bailey, 48, the founder of Janus Fund. Bailey still holds 17.4% of the management company and has strings binding him to the new owners until October 1987. Kansas City Southern wants his talents. His good taste in choosing stocks has placed Janus Fund on the FORBES honor roll for four years running.

What does a fund acquirer get for his money? Serfs, mostly. Says Hill, "All you're really buying is the right to manage that fund and have the contract and earn the fee." Shareholder approval, of course, is required by law, but, says Hill, "it's a very low risk."

What does all this mean to the mutual fund shareholder? Simply this: Since you are a valuable commodity for the fund manager, make sure you are getting your money's worth by picking only funds with a high consistency rating. ■

The view from Wall Street

These five publicly traded companies make fund management their primary business. Investors like them so much, they're willing to pay high multiples for a piece of the action.

Fund manager	Recent price	EPS last 12 months	P/E ratio	Assets under management ($billions)	1984 revenues* ($millions)
Bull & Bear Group	1½	$0.02	75.0	$ 0.2	$2.1
Dreyfus Corp	56⅞	3.95	14.4	27.2	143.6
Eaton Vance Corp	30	2.14	14.0	3.4	17.8
Franklin Resources	34¼	1.28	26.8	11.1	36.7
Pioneer Group	22	1.23	17.9	5.2	27.3

*Fiscal year.

1985 Fund Ratings

Stock funds

The stock list includes funds that invest abroad and specialty funds such as gold bullion funds. Funds must be in existence for two market cycles to be rated. For more on rating system, see "How to pick a mutual fund" on page 96. Closed-end stock funds, which are not distributed, are listed here as well as in the table on page 96 showing discount to net asset value. To obtain a prospectus for an open-end fund, use the distributor table beginning on page 150.

Performance			Investment results						
			Average annual total return 1976-85	Latest 12 months		Total assets		Maximum sales charge	Annual expenses per $100
in UP markets	in DOWN markets	Fund/distributor		total return	return from income dividends	6/30/85 (millions)	% change '85 vs '84		
		Standard & Poor's 500 stock average	12.5%	30.9%	4.2%				
		FORBES stock fund composite	15.2%	22.3%	2.7%				
		ABT Emerging Growth Fund/Leshner	—*	33.0%	none	$14	139%	8.50%	$2.00‡
B	D	ABT Growth & Income Trust[1]/Leshner	12.8%	29.9	none	117	–13	8.50	1.28‡
		ABT Security Income Fund/Leshner	—*	19.2	2.6%	23	5	8.50	1.75‡
•D	•B	ABT Utility Income Fund[2]/Leshner	—*	44.1	3.8	85	–21	8.50	1.25‡
B	A	Acorn Fund/Acorn Fund	20.6	34.8	1.5	269	57	none	0.85
D	B	Adams Express Co/closed end	13.7	25.7	3.8	404	19	NA	0.54
C	B	Affiliated Fund/Lord Abbett	14.1	33.5	5.5	2,407	28	7.25	0.32
B	C	Afuture Fund/Afuture	14.4	14.5	0.6	26	1	none	1.50
		Alliance International Fund/Alliance	—*	17.1	0.8	72	50	8.50	1.35
		Alliance Technology Fund/Alliance	—*	8.7	1.1	134	–6	8.50	1.44
C	B	Alpha Fund/Alpha	14.3	11.6	5.4	21	3	8.50	1.40
B	A	Amcap Fund/American Funds	21.5	19.3	2.2	1,209	31	8.50	0.69
C	A+	American Capital Comstock Fund/American Cap	22.2	19.5	3.9	822	52	8.50	0.61
A	D	American Capital Enterprise Fund/American Cap	17.8	25.9	2.2	634	29	8.50	0.68
		American Capital Exchange Fund/†	—*	21.3	none	49	4	NA	0.69
		American Capital OTC Secs/American Cap	—*	15.7	1.8	91	40	8.50	1.28
B	A+	American Capital Pace Fund/American Cap	27.5	20.2	4.2	1,521	35	8.50	0.62
B	A	American Capital Venture Fund/American Cap	24.9	19.3	2.7	438	18	8.50	0.72
D	A	American Growth Fund/American Growth	17.3	16.8	3.2	69	18	8.50	1.32
B	D	American Investors Fund/American Invest	6.0	–0.6	1.9	84	–10	none	1.41
D	B	American Leaders Fund/Federated	11.6	36.1	4.7	81	94	none	1.39‡
D	A	American Mutual Fund/American Funds	17.1	31.1	4.5	1,334	53	8.50	0.49
C	B	American National Growth Fund/Securities Mgmt	16.6	20.1	1.9	94	10	8.50	0.94
F	A	American National Income Fund/Securities Mgmt	13.1	20.2	4.3	49	16	8.50	0.86
A	C	AMEV Capital Fund[3]/AMEV Investors	18.1	27.9	2.4	75	21	8.50	0.90
		AMEV Fiduciary Fund[4]/AMEV Investors	—*	31.2	1.9	8	11	none	1.50‡
A	C	AMEV Growth Fund[5]/AMEV Investors	22.9	24.5	1.6	102	35	8.50	0.88
•F	•B	Analytic Optioned Equity Fund/Analytic Option	—*	19.1	9.6	113	63	none	1.30
B	D	Armstrong Associates/Armstrong	14.2	18.7	1.9	11	12	none	1.60
A	C	ASA Limited/closed end	22.4	–22.0	5.3	456	–26	NA	0.24
B	F	Axe-Houghton Stock Fund/Axe-Houghton	11.3	25.9	none	100	3	8.50	0.95
		Babson Enterprise Fund/Jones & Babson	—*	42.5	1.6	20	270	none	1.67
C	D	Babson Growth Fund/Jones & Babson	9.1	25.7	1.6	215	3	none	0.76
•C	•C	Bailard, Biehl & Kaiser International/Bailard Biehl	—*	13.4	0.8	62	107	none	1.00
C	B	Baker, Fentress & Co/closed end	16.5	29.0	3.0	331	10	NA	0.70

Total return is for 9/30/76 to 6/30/85. Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. *Fund not in operation for full period. •Fund rated for two periods only; maximum allowable grade A. †Fund not currently selling new shares. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82).* [1]Formerly American Birthright Trust. [2]Formerly Tax Managed Fund for Utility Shares. [3]Formerly St. Paul Capital Fund. [4]Formerly St. Paul Fiduciary Fund. [5]Formerly St. Paul Growth Fund. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on p. 150.

Stock funds

Performance			Investment results						
in UP	in DOWN		Average annual total return	Latest 12 months		Total assets		Maximum	Annual
—markets—		Fund/distributor	1976-85	total return	return from income dividends	6/30/85 (millions)	% change '85 vs '84	sales charge	expenses per $100
		Standard & Poor's 500 stock average	12.5%	30.9%	4.2%				
		FORBES stock fund composite	15.2%	22.3%	2.7%				
D	B	**Beacon Hill Mutual Fund/Beacon Hill**	11.0%	29.0%	none	$ 3	26%	none	$3.30
B	D	**BLC Growth Fund/BLC Equity**	12.8	16.9	2.3%	19	15	8.50%	1.10
D	A	**BLC Income Fund/BLC Equity**	14.8	33.1	5.2	31	40	8.50	0.96
C	C	**Boston Co Capital Appreciation Fund/Boston Co**	12.6	35.8	2.9	316	48	none	1.00
		Boston Co Special Growth Fund/Boston Co	—*	22.0	1.8	45	57	none	1.50
D	C	**Boston Mutual Fund/Boston Mutual**	10.2	25.3	2.4	6	24	none	1.33
•D	•C	**Bridges Investment Fund/Bridges**	—*	24.7	4.9	4	30	none	1.90
A	D	**Bull & Bear Capital Growth Fund/Bull & Bear**	16.2	25.8	2.3	81	59	none	1.33
D	A	**Bull & Bear Equity-Income Fund/Bull & Bear**	12.7	27.7	6.5	6	30	none	1.98
		Bullock Aggressive Growth Shares[6]/Bullock	—*	–7.8	none	5	–25	8.50	1.57
D	C	**Bullock Dividend Shares[7]/Bullock**	11.6	31.0	3.8	293	16	8.50	0.99
D	C	**Bullock Growth Shares[8]/Bullock**	12.0	27.1	3.4	152	21	8.50	0.97
		Calvert Fund-Equity[9]/Calvert	—*	14.5	2.4	7	17	none	2.06‡
C	D	**Canadian Fund/Bullock**	10.5	23.9	2.3	24	11	8.50	1.14
		Capital Exchange Fund/†	13.3	25.8	2.4	63	10	NA	0.76
C	B	**Cardinal Fund/Ohio Company**	16.9	30.9	2.7	32	113	8.50	1.00
		Carnegie-Cappiello Growth Trust/Carnegie	—*	28.2	2.4	30	79	6.00	1.50
B	D	**Central Securities/closed end**	14.6	9.6	1.7	101	12	NA	0.91
D	A	**Century Shares Trust/Century Shares**	15.7	57.2	3.5	102	56	none	0.95
B	B	**Charter Fund/Charter Fund**	19.2	22.7	2.6	79	12	none	1.08‡
C	D	**Chemical Fund/Alliance**	9.7	18.7	2.5	725	–21	8.50	0.54
		Chestnut Street Exchange Fund/†	—*	30.3	2.3	132	17	NA	0.63
		Cigna Aggressive Growth Fund/Cigna	—*	17.1	1.6	9	384	5.00	1.06‡
C	D	**Cigna Growth Fund/Cigna**	12.4	24.1	3.3	196	13	5.00	0.69‡
		Cigna Value Fund/Cigna	—*	22.3	2.2	18	863	5.00	1.02‡
		CL Assets/closed end	NM	NM	none	27	24	NA	1.40
B	A+	**Claremont Capital Corp/closed end**	23.1	18.6	5.2	44	7	NA	1.03
		Colonial Capital Appreciation Trust[10]/Colonial	—*	22.6	2.3	8	31	8.50	1.50
		Colonial Corporate Cash Trust I/Colonial	—*	25.2	10.1	261	–20	2.00	0.81‡
		Colonial Corporate Cash Trust II/Colonial	—*	22.4	10.2	72	475	2.00	1.04‡
B	D	**Colonial Growth Shares/Colonial**	12.7	25.3	3.1	70	14	8.50	1.08
D	•B	**Colonial Option Income Portfolio I/Colonial**	—*	25.6	4.3	1,445	2	8.50	0.92
		Colonial Option Income-Portfolio II/Colonial	—*	—*	—*	162	—	8.50	1.09
A	C	**Columbia Growth Fund/Columbia**	19.0	34.7	1.3	207	61	none	1.18‡
		Combined Penny Stock Fund/closed end	—*	–42.5	none	4	–42	NA	NA
D	A	**Commonwealth Indenture Plans A&B/Trusteed**	12.3	26.1	4.9	9	4	none	0.27
F	B	**Commonwealth Indenture Plan C/Trusteed**	10.8	24.4	4.4	38	14	7.50	0.75
D	B	**Composite Fund/Murphey Favre**	11.6	19.8	3.9	48	31	4.00r	1.26‡
A+	F	**Constellation Growth Fund/Prescott, Ball**	18.6	23.4	none	112	25	none	1.10
		Copley Tax Managed Fund/Copley	—*	41.6	none	13	132	none	1.50

Total return is for 9/30/76 to 6/30/85. Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. *Fund not in operation for full period. •Fund rated for two periods only; maximum allowable grade A. †Fund not currently selling new shares. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82).* [6]Formerly Aggressive Growth Shares. [7]Formerly Dividend Shares. [8]Formerly Bullock Fund. [9]Formerly Calvert Equity Fund. [10]Formerly Colonial Option Growth Trust. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on p. 150.

1985 Fund Ratings

Stock funds

Performance			Investment results						
in UP	in DOWN		Average annual total return	Latest 12 months		Total assets		Maximum sales charge	Annual expenses per $100
——markets——		Fund/distributor	1976-85	total return	return from income dividends	6/30/85 (millions)	% change '85 vs '84		
		Standard & Poor's 500 stock average	12.5%	30.9%	4.2%				
		FORBES stock fund composite	15.2%	22.3%	2.7%				
D	C	Corp Leaders Tr Fund Certificates Ser B/Lexington	12.6%	24.9%	4.8%	$60	21%	†	$0.11
C	D	Country Capital Growth Fund/Country Capital	11.2	30.1	2.2	65	25	7.50%	1.00
C	D	de Vegh Mutual Fund/Alliance	10.3	24.3	2.1	55	7	none	1.13‡
		Dean Witter Developing Growth Secs/Dean Witter	—*	10.9	2.2	175	–2	5.00b	1.83‡
		Dean Witter Dividend Growth Secs/Dean Witter	—*	31.6	3.5	221	339	5.00b	1.24‡
•C	•D	Dean Witter Industry-Valued Secs/Dean Witter	—*	25.6	2.8	41	11	5.00b	1.16‡
		Dean Witter Natural Resource Dev/Dean Witter	—*	6.4	3.2	23	–20	5.00b	1.28‡
		Dean Witter Option Income Trust/Dean Witter	—*	—*	—*	442	—	5.00b	1.88‡
		Dean Witter World Wide Invest/Dean Witter	—*	13.4	2.4	100	–2	5.00b	1.58‡
D	A	Decatur Income Fund/Delaware	15.9	32.6	5.3	774	35	8.50	0.66
C	B	Delaware Fund/Delaware	15.7	36.7	3.6	348	33	8.50	0.78
B	B	Delta Trend Fund/Delaware	16.8	18.8	1.3	87	22	8.50	1.30
		Depositors Fund of Boston/†	11.1	24.1	2.5	53	12	NA	0.79
		Diversification Fund/†	12.4	28.1	2.5	59	11	NA	0.77
		Dividend/Growth-Dividend Series/AIM Mgmt	—*	29.8	3.4	5	35	none	2.00‡
C	C	Dodge & Cox Stock Fund/Dodge & Cox	14.5	30.2	3.8	33	27	none	0.69
C	B	Drexel Burnham Fund/Drexel Burnham	13.9	29.6	4.5	85	22	3.50	1.20
		Drexel Series-Option Income/Drexel Burnham	—*	—*	—*	19	—	5.00b	2.50‡
C	B	Dreyfus Fund/Dreyfus	14.8	28.7	3.8	2,168	29	8.50	0.76
A	C	Dreyfus Growth Opportunity Fund/Dreyfus	16.0	9.1	2.1	417	12	none	1.02
B	B	Dreyfus Leverage Fund/Dreyfus	16.7	33.2	3.0	465	37	8.50	0.99
B	C	Dreyfus Third Century Fund/Dreyfus	16.8	31.0	2.7	177	50	none	1.01
D	C	Eagle Growth Shares/Universal	12.3	16.3	2.1	5	2	8.50	1.38
D	C	Eaton & Howard Stock Fund/Eaton Vance	11.5	35.7	4.4	82	33	7.25	0.89
C	B	Eaton Vance Growth Fund/Eaton Vance	16.3	26.8	1.7	71	23	8.50	0.93
B	B	Eaton Vance Special Equities Fund/Eaton Vance	17.0	18.8	0.3	47	13	7.25	1.04
		Eaton Vance Tax-Managed Trust/Eaton Vance	—*	42.3	none	570	3	8.50	0.91
		Emerging Medical Technology Fund/closed end	—*	—*	—*	9	—	NA	1.85
B	C	Energy Fund/Neuberger	14.1	20.6	4.4	382	10	none	0.88
•B	•D	Engex/closed end	—*	–1.1	none	13	–39	NA	0.94
		Equity Strategies Fund/closed end	—*	12.5	none	7	14	NA	1.66
		EuroPacific Growth Fund/American Funds	—*	12.6	1.0	36	187	8.50	1.80‡
A+	B	Evergreen Fund/Lieber	26.4	29.6	1.5	323	50	none	1.10
•C	•A	Evergreen Total Return Fund/Lieber	—*	38.0	7.2	124	151	none	1.31
		Exchange Fund of Boston/†	13.9	30.2	2.3	55	17	NA	0.82
A	B	Explorer Fund/Vanguard	20.7	6.9	1.2	348	47	†	1.00
A	F	Fairfield Fund/National Secs	13.4	27.1	0.4	52	15	8.50	1.17
		Fairmont Fund/Sachs	—*	35.9	1.0	38	122	none	1.77‡
D	C	Farm Bureau Growth Fund/PFS Management	11.3	22.9	2.9	45	6	none	0.53‡

Total return is for 9/30/76 to 6/30/85. Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. *Fund not in operation for full period. •Fund rated for two periods only; maximum allowable grade A. †Fund not currently selling new shares. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82)*. b: Includes back-end load. NA: Not applicable or not available.

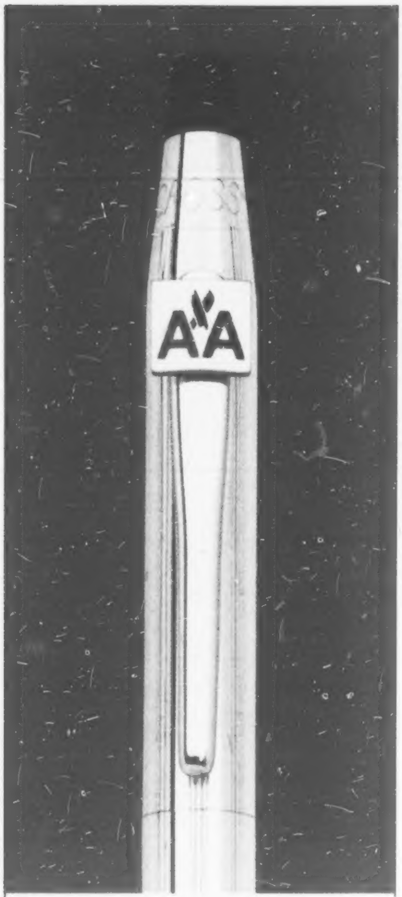
Table of distributors, showing addresses and phone numbers, begins on p. 150.

Stock funds

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-85	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets 6/30/85 (millions)	Total assets % change '85 vs '84	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	12.5%	30.9%	4.2%				
		FORBES stock fund composite	15.2%	22.3%	2.7%				
		Federated Exchange Fund/†	—*	36.6%	3.0%	$97	18%	NA	$1.03
		Federated Growth Trust/Federated	—*	—*	—*	10	—	none	0.98
		Federated Stock Trust/Federated	—*	36.7	3.5	179	438	none	0.94
		Fidelity Congress Street Fund/†	12.5%	26.9	3.5	44	12	NA	0.65
C	D	**Fidelity Contrafund/Fidelity**	10.9	23.5	2.6	85	16	none	1.00
B	A	**Fidelity Destiny Fund/Fidelity**	22.1	27.5	2.7	764	43	**	0.70
•A	•C	**Fidelity Discoverer Fund/Fidelity**	—*	22.9	2.4	130	40	none	1.26
C	A	**Fidelity Equity-Income Fund/Fidelity**	20.9	33.7	6.2	1,591	90	2.00%	0.72
		Fidelity Exchange Fund/†	—*	27.9	2.8	131	13	NA	0.60
		Fidelity Freedom Fund/Fidelity	—*	25.6	1.8	605	112	none	1.13
C	C	**Fidelity Fund/Fidelity**	14.3	28.5	4.3	703	22	none	0.66
A+	A	**Fidelity Magellan Fund/Fidelity**	33.3	38.2	1.7	2,879	78	3.00	1.12
		Fidelity Mercury Fund/Fidelity	—*	31.5	0.5	137	24	3.00	1.17
		Fidelity OTC Portfolio/Fidelity	—*	—*	—*	54	—	3.00	1.50
		Fidelity Overseas Fund/Fidelity	—*	—*	—*	24	—	3.00	2.00
D	A	**Fidelity Puritan Fund/Fidelity**	15.9	35.6	7.4	1,055	35	none	0.60
		Fidelity Select-Defense & Aerospace/Fidelity	—*	28.0	0.8	10	NM	3.00b	1.50
		Fidelity Select-Energy/Fidelity	—*	13.6	6.1	38	–43	3.00b	1.35
		Fidelity Select-Financial Services/Fidelity	—*	56.9	1.2	115	875	3.00b	1.50
		Fidelity Select-Health Care/Fidelity	—*	56.2	0.2	248	271	3.00b	1.26
		Fidelity Select-Leisure/Fidelity	—*	59.9	0.2	69	NM	3.00b	1.50
		Fidelity Select-Prec Metals & Min/Fidelity	—*	–20.8	3.8	158	–11	3.00b	1.11
		Fidelity Select-Technology/Fidelity	—*	–0.2	2.0	456	–2	3.00b	1.04
		Fidelity Select-Utilities/Fidelity	—*	47.4	2.4	82	406	3.00b	1.50
		Fidelity Special Situations Fund/Fidelity	—*	31.8	0.5	17	133	3.00	1.50
C	D	**Fidelity Trend Fund/Fidelity**	11.9	26.6	2.0	669	22	none	0.56
		Fiduciary Capital Growth Fund/Fiduciary	—*	24.3	1.5	42	62	none	1.50
		Fiduciary Exchange Fund/†	14.8	25.2	2.5	48	14	NA	0.81
C	B	**Financial Dynamics Fund/Financial Prog**	14.7	18.9	1.2	78	18	none	0.78
C	C	**Financial Industrial Fund/Financial Prog**	14.8	28.0	3.4	359	18	none	0.64
D	A	**Financial Industrial Income Fund/Financial Prog**	15.0	31.6	5.7	249	37	none	0.68
		Finomic Investment Fund/Finomic	—*	1.1	none	3	–22	none	2.00
C	C	**First Investors Discovery Fund/First Investors**	13.0	–6.6	none	48	19	8.50	1.23
B	F	**First Investors Fund for Growth/First Investors**	10.0	–6.0	0.5	71	–6	8.50	1.11
		First Investors International Secs/First Investors	—*	–1.7	1.3	34	–6	8.50	1.68
D	F	**First Investors Natural Resources/First Investors**	–0.3	–19.6	0.5	10	–17	8.50	1.42
		First Investors Ninety-Ten Fund/First Investors	—*	6.5	8.9	38	–24	8.50	1.36
F	A	**First Investors Option Fund/First Investors**	9.7	10.4	2.5	180	40	7.25	0.99
		Flag Investors-Telephone Income Shs/Brown & Sons	—*	42.1	7.2	81	32	3.00b	1.06‡

Total return is for 9/30/76 to 6/30/85. Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. *Fund not in operation for full period. •Fund rated for two periods only; maximum allowable grade A. †Fund not currently selling new shares. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82)*. **Available only through monthly contractual plans. b: Includes back-end load. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on p. 150.



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1985 Fund Ratings

Stock funds

Performance			Investment results		
			Average annual total return	Latest 12 months	
in UP markets	in DOWN markets	Fund/distributor	1976-85	total return	return from income dividends
		Standard & Poor's 500 stock average	12.5%	30.9%	4.2%
		FORBES stock fund composite	15.2%	22.3%	2.7%
		Flex-fund-Capital Gains Fund/Flex	—*	—*	—*
		Flex-fund-Retirement Growth[11]/Flex	—*	7.4%	none
•B	•F	44 Wall Street Equity Fund/44 Securities	—*	-11.2	none
A	C	44 Wall Street Fund/44 Securities	3.8%	-41.6	none
B	D	Founders Growth Fund/Founders	15.3	26.1	2.4%
F	A	Founders Income Fund/Founders	13.2	19.3	8.8
D	D	Founders Mutual Fund/Founders	9.8	27.9	3.5
A	C	Founders Special Fund/Founders	18.0	18.1	2.1
D	D	FPA Capital Fund/Angeles/Quinoco	9.1	23.7	3.4
C	A	FPA Paramount Fund/Angeles/Quinoco	18.1	29.4	5.2
		FPA Perennial Fund/Angeles/Quinoco	—*	26.4	1.1
A	D	Franklin Custodian-Dynatech/Franklin	16.3	10.1	3.7
D	C	Franklin Custodian-Growth/Franklin	11.1	24.6	2.1
D	A+	Franklin Custodian-Utilities/Franklin	14.7	48.8	7.3
B	C	Franklin Equity Fund/Franklin	15.3	31.3	2.8
A	C	Franklin Gold Fund[12]/Franklin	25.9	-22.0	4.2
D	B	Franklin Option Fund/Franklin	13.6	21.9	2.5
		Freedom Gold & Govt Fund/Tucker Anthony	—*	—*	—*
		FT International/Federated	—*	—*	—*
B	B	Fund of America/American Cap	17.1	8.8	5.5
A	D	Fund of the Southwest/Tenneco	16.4	13.3	none
D	B	Fundamental Investors/American Funds	12.9	31.8	3.2
F	•B	Gateway Option Income Fund/Gateway Option	—*	20.1	4.1
		Gemini Fund[13]/Vanguard	—*	45.1	0.7
		Gemini II Capital/closed end	—*	—*	—*
		Gemini II Income/closed end	—*	—*	—*
B	C	General American Investors/closed end	16.9	23.2	1.5
C	C	General Securities/Craig-Hallum	13.0	28.9	2.7
		Gintel ERISA Fund/Gintel	—*	11.6	3.2
		Gintel Fund/Gintel	—*	14.2	2.2
•F	•D	Golconda Investors/Bull & Bear	—	-14.2	1.2
		Gradison Emerging Growth Fund/Gradison	—*	23.1	none
		Gradison Established Growth Fund[14]/Gradison	—*	33.0	2.2
		Greenspring Fund/Greenspring	—*	22.9	8.9
B	•D	Greenway Fund/AIM Distributor	—*	13.4	0.5
B	A	Growth Fund of America/American Funds	22.3	22.4	2.0
B	C	Growth Industry Shares/Growth Industry	16.3	20.1	2.1
		GSC Performance Fund/GSC Performance	—*	-5.8	none
F	•B	GT Global Growth-Pacific[15]/GT Global	—*	7.3	0.3

Total return is for 9/30/76 to 6/30/85. Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. *Fund not in operation for full period. •Fund rated for two periods only; maximum allowable grade A. †Fund not currently selling new shares. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82)*. [11]Formerly Flex Fund. [12]Formerly Research Equity Fund. [15]Formerly Gemini Capital. [14]Formerly Established Growth Fund. [15]Formerly GT Pacific Fund.

Table of distributors, showing addresses and phone numbers, begins on p. 150.

Total assets 6/30/85 (millions)	Total assets % change '85 vs '84	Maximum sales charge	Annual expenses per $100
$ 6	—	none	NA‡
50	13%	none	$1.48‡
10	–17	1.00%	1.86
54	–34	0.25b	1.16
50	32	none	1.22
9	33	none	1.50
147	15	none	0.74
124	67	none	1.11
41	15	8.00	0.99
142	31	†	1.10
33	472	8.50	1.50
46	17	7.25	0.81
24	34	7.25	0.83
53	102	7.25	0.79
95	72	7.25	0.96
133	–5	7.25	0.90
9	45	7.25	1.14
30	—	5.00	1.49
19	—	none	0.56
150	9	8.50	0.79
13	83	7.50	1.33
421	20	8.50	0.71
22	–4	none	1.45
109	–1	†	0.76
216**	—	NA	NA
—**	—	NA	NA
265	19	NA	1.49
14	24	none	1.50
78	27	none	1.30‡
113	6	none	1.20‡
22	–6	none	1.74
5	34	none	2.00‡
15	113	none	2.00‡
11	129	none	1.50
4	8	6.50	2.04
606	40	8.50	0.68
70	17	none	0.92
5	–28	none	2.34
43	9	none	1.40

NA: Not applicable or not available. b: Includes back-end load. **Shareholders of Gemini II Capital shares receive all capital gains. Income shareholders receive all income dividends.

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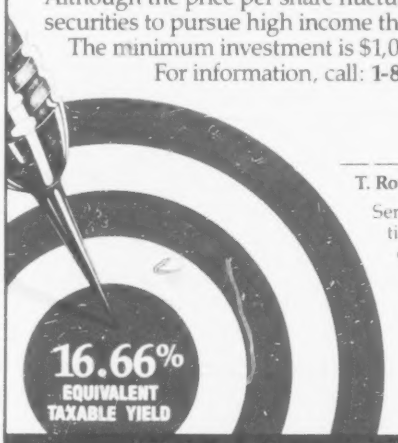

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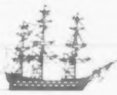

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1985 Fund Ratings

Stock funds

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-85	Investment results: Latest 12 months total return	Investment results: Latest 12 months return from income dividends	Total assets 6/30/85 (millions)	Total assets % change '85 vs '84	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	**12.5%**	**30.9%**	**4.2%**				
		FORBES stock fund composite	**15.2%**	**22.3%**	**2.7%**				
B	B	**Guardian Mutual Fund/Neuberger**	17.1%	33.0%	3.3%	$454	51%	none	$0.77
B	B	**Guardian Park Ave Fund/Guardian**	18.7	36.0	3.2	75	46	8.50%	0.78
C	D	**Hamilton Funds/Oppenheimer Inv**	8.8	28.8	2.5	217	14	8.50	0.94
A	F	**John Hancock Growth Trust/Hancock**	12.4	22.4	1.8	65	25	8.50	1.13
A+	D	**Hartwell Growth Fund/Hartwell**	19.0	9.7	none	12	6	none	2.40
A+	D	**Hartwell Leverage Fund/Hartwell**	16.2	6.5	none	35	-9	none	1.20
		Hemisphere Fund/Neuberger	—*	72.5	none	12	-49	†	1.15
		Wayne Hummer Growth Fund/Hummer	—*	23.6	3.5	5	136	none	1.50‡
		Hutton Investment-Basic Value/Hutton	—*	—*	—*	66	—	5.00b	1.51‡
		Hutton Investment-Emerging Growth/Hutton	—*	24.7	1.8	155	12	5.00b	2.31‡
		Hutton Investment-Growth/Hutton	—*	22.9	3.5	875	37	5.00b	1.76‡
		Hutton Investment-Option Income/Hutton	—*	15.9	4.9	151	67	5.00b	1.88‡
		Hutton Investment-Precious Metals/Hutton	—*	—*	—*	24	—	5.00b	1.72‡
		IDS Discovery Fund/IDS	—*	8.7	1.7	287	-1	5.00	0.81‡
C	D	**IDS Equity Plus[16]/IDS**	11.7	21.7	2.5	333	3	5.00	0.53‡
A+	C	**IDS Growth Fund/IDS**	21.3	19.3	0.4	728	20	5.00	0.60‡
		IDS International Fund/IDS	—*	—*	—*	23	—	5.00	1.72‡
		IDS Managed Retirement Fund/IDS	—*	—*	—*	54	—	5.00	1.15‡
A	C	**IDS New Dimensions Fund/IDS**	18.8	28.6	2.2	423	26	5.00	0.75‡
C	B	**IDS Progressive Fund/IDS**	15.2	17.4	3.6	169	9	5.00	1.00‡
D	C	**IDS Stock Fund/IDS**	10.3	19.8	3.6	1,357	5	5.00	0.54‡
		IDS Strategy Fund-Aggressive Equity/IDS	—*	28.0	0.2	31	NM	5.00b	1.84‡
		IDS Strategy Fund-Equity/IDS	—*	28.9	3.2	18	NM	5.00b	1.91‡
D	A	**Income Fund of America/American Funds**	14.2	38.7	7.1	367	37	8.50	0.66
A	C	**International Investors/III Securities**	27.4	-17.1	5.9	895	-3	8.50	0.82
C	B	**Investment Company of America/American Funds**	15.0	31.0	3.7	2,731	25	8.50	0.47
		Investment Port-Equity/Kemper	—*	17.6	2.5	85	937	6.00b	2.23‡
		Investment Port-Option Income/Kemper	—*	—*	—*	105	—	6.00b†	2.22‡
C	F	**Investment Trust of Boston/ITB**	10.1	29.4	2.7	62	20	7.25	0.97
A	D	**Investors Research Fund/Diversified**	18.6	23.8	3.9	50	37	8.50	0.81
		IRI Stock Fund/IRI	—*	32.7	2.1	9	-5	4.50	1.50
F	A	**ISI Growth Fund/ISI Corp**	11.7	13.1	5.2	14	2	8.50	1.48
F	A+	**ISI Income Fund/ISI Corp**	11.6	23.5	10.4	7	7	8.50	1.51
F	A	**ISI Trust Fund/ISI Corp**	10.2	11.9	9.8	105	2	8.50	1.02
B	D	**Istel Fund/Istel**	10.9	17.6	3.8	94	2	none	1.04
B	C	**Ivest Fund/Vanguard**	14.4	22.8	2.4	205	21	none	0.88
C	B	**Ivy Growth Fund/Ivy**	17.1	32.0	6.8	92	58	none	1.29
B	A	**Janus Fund/Janus**	20.9	20.9	3.6	412	46	none	1.06
F	A	**Japan Fund/closed end**	11.5	5.8	0.7	270	2	NA	0.66

Total return is for 9/30/76 to 6/30/85. Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. *Fund not in operation for full period. ●Fund rated for two periods only; maximum allowable grade A. †Fund not currently selling new shares. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82)*. [16]Formerly IDS Variable Payment Fund. b: Includes back-end load. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on p. 150.

Stock funds

Performance			Investment results						
in UP	in DOWN		Average annual total return	Latest 12 months		Total assets		Maximum sales charge	Annual expenses per $100
——markets——		Fund/distributor	1976-85	total return	return from income dividends	6/30/85 (millions)	% change '85 vs '84		
		Standard & Poor's 500 stock average	12.5%	30.9%	4.2%				
		FORBES stock fund composite	15.2%	22.3%	2.7%				
D	B	JP Growth Fund/Jefferson-Pilot	13.4%	28.3%	4.0%	$ 21	21%	8.00%	$0.88
A	D	Kemper Growth Fund/Kemper	17.1	21.8	2.8	269	25	8.50	0.80
		Kemper International Fund/Kemper	—*	5.1	1.0	42	-5	8.50	1.19
F	•A	Kemper Option Income Fund/Kemper	—*	16.0	7.4	789	310	†	0.80
A	C	Kemper Summit Fund/Kemper	20.3	20.5	1.9	239	59	8.50	0.44
C	D	Keystone Custodian K-2/Keystone	10.7	21.8	0.7	209	28	4.00r	1.03‡
D	D	Keystone Custodian S-1/Keystone	7.1	17.7	2.8	85	26	4.00r	1.11‡
B	D	Keystone Custodian S-3/Keystone	12.2	19.8	1.7	214	51	4.00r	1.03‡
A+	D	Keystone Custodian S-4/Keystone	15.4	17.3	0.3	641	34	4.00r	0.89‡
D	C	Keystone International Fund/Keystone	8.7	15.4	2.2	29	6	4.00r	1.72‡
A	C	Keystone Precious Metals Holdings[17]/Keystone	19.5	-22.4	2.9	59	-2	4.00r	1.47‡
		Kidder Peabody Special Growth Fund/Kidder	—*	—*	—*	40	—	5.00b	1.40‡
		Korea Fund/closed end	—*	—*	—*	58	—	NA	2.00
		Legg Mason Value Trust/Legg Mason	—*	38.3	1.5	247	251	none	2.40‡
A	•B	Lehman Capital Fund/Lehman	—*	23.5	4.5	123	16	none	0.70
C	C	Lehman Corp/closed end	12.6	23.0	3.2	745	16	NA	0.46
C	B	Lehman Investors Fund/Lehman	15.8	21.6	3.0	381	14	none	0.60
•A	•B	Lehman Opportunity Fund[18]/Lehman	—*	37.8	1.7	69	57	none	1.23
		Leverage Fund of Boston/Eaton Vance	—*	24.8	none	31	6	none	1.23
		Lexington Goldfund/Lexington	—*	-15.1	1.2	11	18	none	1.50‡
B	C	Lexington Growth Fund/Lexington	13.6	26.9	1.3	28	51	none	1.50‡
C	C	Lexington Research Fund/Lexington	12.6	26.8	3.5	111	20	none	1.00‡
		Lindner Dividend Fund/Lindner	—*	24.1	7.3	70	NM	†	1.14
D	A+	Lindner Fund/Lindner	24.4	23.0	8.6	398	17	†	0.89
		LMH Fund/Heine Mgmt	—*	24.3	0.5	77	152	none	1.40
A	B	Loomis-Sayles Capital Development Fund/NEL	22.7	39.3	0.8	169	40	†	0.70
B	•D	Lord Abbett Developing Growth Fund/Lord Abbett	—*	4.1	0.3	310	3	8.50	0.83
		Lord Abbett Value Appreciation/Lord Abbett	—*	34.8	2.2	297	-4	8.50	0.87
		Lowry Market Timing/Criterion	—*	17.8	2.1	97	72	8.50	1.37‡
D	C	Mairs & Power Growth Fund/Mairs & Power	12.9	29.6	2.0	20	16	none	1.04
•D	•B	Mairs & Power Income Fund/Mairs & Power	—*	27.7	6.6	3	27	none	1.29
B	C	Manhattan Fund/Neuberger	15.8	36.8	1.4	101	46	none	1.50
C	D	Horace Mann Growth Fund/Mann	12.6	25.9	2.5	72	14	†	0.73
A+	B	Mass Capital Development Fund/Mass Financial	23.8	22.2	2.5	785	36	7.25	0.75
B	D	Mass Financial Development Fund/Mass Financial	16.3	27.8	2.7	230	26	7.25	0.92
		Mass Financial Emerging Growth/Mass Financial	—*	20.7	0.7	195	24	7.25	1.09
		Mass Financial Special Fund/Mass Financial	—*	21.1	1.8	95	20	7.25	1.25
B	D	Mass Investors Growth Stock Fund/Mass Financial	12.7	21.5	2.6	900	13	7.25	0.56

Total return is for 9/30/76 to 6/30/85. Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. *Fund not in operation for full period. •Fund rated for two periods only; maximum allowable grade A. †Fund not currently selling new shares. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82)*. [17]Formerly Precious Metals Holdings. [18]Formerly LBKL Capital Opportunity Fund. b: Includes back-end load. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on p. 150.

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1985 Fund Ratings

Stock funds

Performance in UP —markets	Performance in DOWN markets—	Fund/distributor	Investment results: Average annual total return 1976-85	Investment results: Latest 12 months total return	Investment results: Latest 12 months return from income dividends
		Standard & Poor's 500 stock average	12.5%	30.9%	4.2%
		FORBES stock fund composite	15.2%	22.3%	2.7%
C	D	Massachusetts Investors Trust/Mass Financial	11.0%	24.3%	3.9%
B	B	Mathers Fund/Mathers	17.8	26.6	2.7
•A	•C	Medical Technology Fund/PRO	—*	24.2	0.7
D	C	Meeschaert Capital Accumulation/Meeschaert	9.7	14.4	none
C	•B	Merrill Lynch Basic Value Fund/ML Funds	—*	34.9	4.4
C	B	Merrill Lynch Capital Fund/ML Funds	15.1	36.7	3.4
		Merrill Lynch Fund for Tomorrow/ML Funds	—*	29.6	1.7
		Merrill Lynch International Holdings/ML Funds	—*	—*	—*
D	•A	Merrill Lynch Pacific Fund/ML Funds	—*	36.8	2.9
•B	•D	Merrill Lynch Special Value/ML Funds	—*	21.6	0.8
		Mexico Fund/closed end	—*	15.9	6.3
D	B	MidAmerica High Growth Fund/Life Investors	12.5	21.4	2.0
D	B	MidAmerica Mutual Fund/Life Investors	13.3	32.4	3.8
		Midwest Group-Bartlett Basic Value/Leshner	—*	19.5	5.3
B	C	WL Morgan Growth Fund/Vanguard	15.1	19.4	2.1
D	C	Mutual Benefit Fund/Mutual Benefit	10.5	24.3	3.1
D	D	Mutual of Omaha Growth Fund/Mutual of Omaha	9.0	25.1	2.0
•D	•A	Mutual Qualified Income Fund/Heine Secs	—*	21.0	6.2
C	A+	Mutual Shares/Heine Secs	21.6	22.7	7.3
B	C	Naess & Thomas Special Fund/Vanguard	13.9	6.2	1.2
B	C	National Aviation & Technology/AFA	14.5	33.0	2.2
D	F	National Growth Fund/National Secs	7.2	12.6	2.2
D	D	National Industries Fund/National Inds	8.8	11.5	2.8
D	B	National Stock Fund/National Secs	12.9	31.2	5.0
		National Telecommunications & Tech/AFA	—*	7.5	3.1
D	B	Nationwide Fund/Nationwide	9.6	30.7	4.2
C	B	Nationwide Growth Fund/Nationwide	15.5	31.8	2.2
		Nautilus Fund/Eaton Vance	—*	−7.2	0.6
D	A	NEL Equity Fund/NEL	14.0	28.8	4.5
A	B	NEL Growth Fund/NEL	22.2	31.9	1.0
C	B	NEL Retirement Equity Fund/NEL	15.0	31.0	2.5
A	F	Neuwirth Fund/Alliance	12.9	36.5	0.5
		New Alternatives Fund/Accrued Equities	—*	26.8	1.9
		"New Beginning" Growth Fund/Sit	—*	27.0	1.0
		New Economy Fund/American Funds	—*	34.1	1.7
C	B	New Perspective Fund/American Funds	15.4	18.0	2.9
A	C	New York Venture Fund/Venture	20.6	35.3	1.9
B	D	Newton Growth Fund/Newton	15.4	18.1	1.8
A	F	Niagara Share Corp/closed end	13.8	13.0	3.0

Total return is for 9/30/76 to 6/30/85. Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. *Fund not in operation for full period. ●Fund rated for two periods only; maximum allowable grade A. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82)*. b: Includes back-end load. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on p. 150.

Total assets 6/30/85 (millions)	Total assets % change '85 vs '84	Maximum sales charge	Annual expenses per $100
$1,106	12%	7.25%	$0.56
188	5	none	0.69
67	34	none	1.40
22	69	4.00r	1.63‡
421	56	6.50	0.73
366	40	6.50	0.69
242	219	4.00b	1.25‡
200	—	8.50	1.40
126	36	6.50	1.15
90	6	6.50	1.19
67	10	NA	2.26
13	7	8.50	1.00
32	16	8.50	0.88
27	79	none	1.78‡
579	56	none	0.68
12	26	8.50	1.34
21	10	8.00	1.28
308	181	none	0.81
776	110	none	0.73
39	7	none	1.05
86	15	8.50	1.24
67	-3	7.25	1.02
28	1	none	1.70
233	15	7.25	0.93
83	-14	8.50	1.28
262	20	7.50	0.66
87	53	7.50	0.71
18	-10	8.50	1.75
22	37	8.00	1.00
216	31	8.00	0.75
74	19	8.00	0.71
22	23	none	1.58
591	109	6.00	1.36
20	43	2.00b	1.50
429	23	8.50	0.75
661	14	8.50	0.76
126	48	8.50	1.05
36	25	none	1.30‡
162	5	NA	4.11

June 30, 1985 $292,804

1984	$242,091
1983	$262,710
1982	$202,066
1981	$141,924
1980	$140,148
1979	$94,847
1978	$64,316
1977	$46,669
1976	$37,349
1975	$29,213
1974	$18,708
1973	$26,712
1972	$27,940
1971	$24,705
1970	$22,742
1969	$22,938
1968	$29,952
1967	$26,908
1966	$20,910
1965	$22,920
1964	$18,695
1963	$16,811
1962	$14,327
1961	$15,452
1960	$12,124
1959	$10,758

1958 $10,000

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These figures supplement those found on page 7 of the current annual report. These figures illustrate past performance and are not projections for the future.

FBS850916

1985 Fund Ratings

Stock funds

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-85	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets: 6/30/85 (millions)	Total assets: % change '85 vs '84	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	12.5%	30.9%	4.2%				
		FORBES stock fund composite	15.2%	22.3%	2.7%				
B	A+	**Nicholas Fund/Nicholas**	25.4%	39.0%	1.9%	$462	194%	none	$0.82
		Nicholas II/Nicholas	—*	42.3	0.6	78	NM	none	1.59
		North Star Apollo/North Star	—*	10.0	2.4	20	35	none	1.00
•B	•C	**North Star Regional Fund/North Star**	—*	31.2	1.3	64	45	none	0.80
C	B	**North Star Stock Fund/North Star**	14.5	25.2	2.9	59	28	none	0.70
•C	•C	**Northeast Investors Growth/Northeast Inv**	—*	33.8	0.8	5	42	none	2.02
•C	•C	**Nova Fund/Nova**	—*	21.6	1.3	28	–1	none	1.50
D	B	**Old Dominion Investors' Trust/Investors Secs**	12.2	24.9	7.4	5	21	8.50%	1.17
B	D	**Omega Fund/Omega**	12.3	36.1	0.9	29	26	none	1.53
B	D	**One Hundred Fund/Berger**	11.7	12.5	2.1	10	1	none	1.90‡
A	D	**Oppenheimer AIM Fund/Oppenheimer Inv**	13.8	–2.4	0.3	214	–6	8.50	1.05
		Oppenheimer Challenger Fund/Oppenheimer Inv	—*	20.1	0.4	17	–18	2.00	1.18
•A	•D	**Oppenheimer Directors Fund/Oppenheimer Inv**	—*	18.1	1.8	339	39	8.50	1.03
C	B	**Oppenheimer Equity Income/Oppenheimer Inv**	16.2	34.3	7.2	135	103	8.50	1.08
B	F	**Oppenheimer Fund/Oppenheimer Inv**	10.1	25.2	1.7	266	13	8.50	0.99
		Oppenheimer Gold & Spec Mins/Oppenheimer Inv	—*	–14.3	1.0	33	19	8.50	1.62
F	•A	**Oppenheimer Premium Inc Fund/Oppenheimer Inv**	—*	9.5	2.5	261	166	8.50	1.07
		Oppenheimer Regency Fund/Oppenheimer Inv	—*	13.0	1.1	147	50	8.50	1.28
B	B	**Oppenheimer Special Fund/Oppenheimer Inv**	18.8	14.2	1.9	834	30	8.50	0.94
		Oppenheimer Target Fund/Oppenheimer Inv	—*	10.3	1.9	134	–11	6.00	1.10
A	C	**Oppenheimer Time Fund/Oppenheimer Inv**	19.8	25.0	1.5	222	39	8.50	1.00
B	A	**Over-the-Counter Securities Fund/Review**	23.4	27.0	1.5	114	47	8.00	1.28
		P-C Capital Fund/Bradford	—*	19.7	5.4	6	14	none	1.27
		PaineWebber America Fund/PaineWebber	—*	27.5	6.9	53	176	8.50	1.43
		PaineWebber Atlas Fund/PaineWebber	—*	25.4	none	82	4	8.50	1.40
		PaineWebber Olympus Fund/PaineWebber	—*	—*	—*	34	—	8.50	NA
C	A	**Partners Fund/Neuberger**	20.6	32.6	4.1	222	52	none	0.91
•D	•C	**Pax World Fund/Pax World**	—*	29.6	4.3	25	80	none	1.50‡
D	C	**Penn Square Mutual Fund/Penn Square**	12.5	22.5	4.6	183	13	none	0.65
B	A	**Pennsylvania Mutual Fund/Penn Mutual**	22.6	23.1	1.3	292	97	†	1.18
A	D	**Petroleum & Resources Corp/closed end**	14.0	12.9	5.0	231	–9	NA	0.59
C	C	**Philadelphia Fund/Universal**	14.0	17.9	2.7	108	7	8.50	0.91
		Phoenix Growth Fund/Phoenix	—*	32.8	2.7	105	52	8.50	0.88
		Phoenix Stock Fund/Phoenix	—*	32.0	2.3	65	39	8.50	1.01
D	A	**Pilgrim MagnaCap Fund[19]/Pilgrim**	14.7	37.1	3.3	66	803	7.25	1.60
B	D	**Pilot Fund/Criterion**	14.1	25.1	3.6	70	12	8.50	1.25
C	C	**Pine Street Fund/Alliance**	12.9	36.7	4.3	52	32	none	1.09‡
C	C	**Pioneer Fund/Pioneer**	14.2	24.9	3.8	1,443	21	8.50	0.69
B	A	**Pioneer II/Pioneer**	20.7	27.7	3.3	1,834	49	8.50	0.71

Total return is for 9/30/76 to 6/30/85. Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. *Fund not in operation for full period. •Fund rated for two periods only; maximum allowable grade A. †Fund not currently selling new shares. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82).* [19]Formerly MagnaCap Fund. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on p. 150.

Stock funds

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-85	Investment results: Latest 12 months total return	Investment results: Latest 12 months return from income dividends	Total assets 6/30/85 (millions)	Total assets % change '85 vs '84	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	12.5%	30.9%	4.2%				
		FORBES stock fund composite	15.2%	22.3%	2.7%				
		Pioneer Three/Pioneer	—*	19.5%	2.4%	$354	75%	8.50%	$0.78
B	B	**Plitrend Fund/Tenneco**	19.5%	25.6	2.1	75	22	none	1.06
		T Rowe Price Growth & Income Fund/Price	—*	19.8	5.8	353	27	none	0.94
D	D	**T Rowe Price Growth Stock Fund/Price**	8.0	30.0	2.2	1,057	22	none	0.52
•D	•F	**T Rowe Price International Fund/Price**	—*	10.8	2.2	233	31	none	1.10
A	D	**T Rowe Price New Era Fund/Price**	15.1	20.0	4.0	507	12	none	0.68
A	D	**T Rowe Price New Horizons Fund/Price**	18.0	14.4	1.0	1,509	27	none	0.70
		PrimeCap Fund/Vanguard	—*	—*	—*	21	—	none	2.12
D	B	**PRO Fund/PRO**	12.4	27.9	3.3	29	0	none	1.27
		Prudential-Bache Equity Fund/Pru-Bache	—*	30.0	1.6	63	48	5.00b	1.52‡
		Prudential-Bache Global Fund/Pru-Bache	—*	22.2	0.8	25	390	5.00b	2.30‡
		Prudential-Bache Growth Opportunity[20]/Pru-Bache	—*	16.2	0.6	63	5	5.00b	1.32‡
		Prudential-Bache Option Growth Fund/Pru-Bache	—*	33.2	2.7	50	–17	5.00b	1.35‡
		Prudential-Bache Research Fund/Pru-Bache	—*	19.3	4.2	156	0	5.00b	1.93‡
		Prudential-Bache Utility Fund[21]/Pru-Bache	—*	66.9	14.3	192	57	5.00b	1.15‡
		Putnam Capital Fund/Putnam	—*	27.2	1.3	11	0	†	1.26
•D	•D	**Putnam Energy-Resources Trust[22]/Putnam**	—*	1.1	3.1	33	-21	8.50	1.48
C	B	**Putnam Fund for Growth & Income[23]/Putnam**	15.3	27.0	5.0	871	21	8.50	0.63
		Putnam Health Sciences Trust/Putnam	—*	38.3	0.8	255	4	8.50	0.98
		Putnam Information Sciences Trust/Putnam	—*	8.2	0.9	172	–13	8.50	1.10
C	B	**Putnam International Equities Fund/Putnam**	14.6	27.8	1.4	58	29	8.50	1.28
B	D	**Putnam Investors Fund/Putnam**	14.0	29.8	1.8	1,153	24	8.50	0.51
D	•C	**Putnam Option Income Trust/Putnam**	—*	28.2	6.1	1,149	141	†	0.80
		Putnam Option Income Trust II/Putnam	—*	—*	—*	107	—	8.50	NA
B	B	**Putnam Vista Fund/Putnam**	18.2	32.1	0.8	176	28	8.50	1.03
A	C	**Putnam Voyager Fund/Putnam**	18.3	33.3	0.9	283	44	8.50	1.04
A+	C	**Quasar Associates/Alliance**	22.8	32.9	0.6	73	70	none	1.08
•B	•A	**Quest for Value Fund/Oppenheimer Cap**	—*	23.5	1.2	31	119	none	2.34
		Reich & Tang Equity Fund/Reich & Tang	—*	—*	—*	31	—	none	0.99‡
		Reserve Equity Trust-Contrarian/Reserve Partner	—*	38.3	2.3	6	NM	none	2.00
		Rochester Tax Managed Fund/Rochester	—*	5.2	none	26	48	8.50	1.80‡
		Royce Value Fund/Quest	—*	24.4	none	88	293	†	2.66‡
		RPF of America-Equity Fund/Venture	—*	31.0	2.4	5	89	5.00r	1.50‡
C	C	**Safeco Equity Fund/Safeco**	13.8	31.2	3.9	35	17	none	0.66
B	B	**Safeco Growth Fund/Safeco**	18.2	21.2	3.1	71	23	none	0.63
D	A	**Safeco Income Fund/Safeco**	13.8	34.3	5.6	29	47	none	0.70
		SBSF Fund/Reich & Tang	—*	26.9	1.8	44	148	none	1.37‡
		Sci/Tech Holdings/ML Funds	—*	1.7	1.4	321	–32	8.50	1.36

Total return is for 9/30/76 to 6/30/85. Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. *Fund not in operation for full period. •Fund rated for two periods only; maximum allowable grade A. †Fund not currently selling new shares. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82)*. [20]Formerly Pru-Bache New Decade Growth. [21]Formerly Pru-Bache Tax-Managed Utility. [22]Formerly Eberstadt Energy-Resources Fund. [25]Formerly The Putnam Growth Fund. b: Includes back-end load. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on p. 150.

1985 Fund Ratings

Stock funds

Performance			Investment results						
in UP markets	in DOWN markets	Fund/distributor	Average annual total return 1976-85	Latest 12 months		Total assets		Maximum sales charge	Annual expenses per $100
				total return	return from income dividends	6/30/85 (millions)	% change '85 vs '84		
		Standard & Poor's 500 stock average	12.5%	30.9%	4.2%				
		FORBES stock fund composite	15.2%	22.3%	2.7%				
A	D	**Scudder Capital Growth Fund/Scudder**	16.9%	31.9%	1.8%	$315	41%	none	$0.87
B	A	**Scudder Development Fund/Scudder**	20.8	13.4	1.4	254	23	none	1.34
C	D	**Scudder Growth & Income Fund[24]/Scudder**	12.8	33.7	3.2	279	25	none	0.89
D	B	**Scudder International Fund/Scudder**	12.3	14.7	1.7	273	57	none	1.04
		Second Fiduciary Exchange Fund/†	13.4	22.0	3.5	63	7	NA	0.77
		Security Action Fund/Security	—*	21.9	1.1	32	221	8.50%	1.40
A	D	**Security Equity Fund/Security**	15.1	25.6	5.5	251	15	8.50	0.71
C	C	**Security Investment Fund/Security**	13.1	16.2	7.0	105	2	8.50	0.73
A	D	**Security Ultra Fund/Security**	19.9	26.3	2.7	111	51	8.50	1.18
D	B	**Selected American Shares/Prescott, Ball**	12.8	32.9	3.5	101	33	none	0.99
C	D	**Selected Special Shares/Prescott, Ball**	9.9	18.6	2.6	35	10	none	1.38
A	D	**Seligman Capital Fund/Seligman**	19.7	29.9	none	198	58	8.50	0.90
C	C	**Seligman Common Stock Fund/Seligman**	14.5	33.0	4.4	443	24	7.25	0.55
		Seligman Communications & Info/Seligman	—*	26.9	0.9	50	11	8.50	1.38
B	D	**Seligman Growth Fund/Seligman**	11.7	27.1	2.3	629	12	7.25	0.56
D	A	**Sentinel Common Stock Fund/Equity Services**	15.1	34.4	4.7	387	24	8.50	0.72
B	D	**Sentinel Growth Fund/Equity Services**	15.0	30.2	2.5	44	21	8.50	0.91
B	C	**Sentry Fund/Sentry**	14.2	31.3	2.5	33	20	8.00	0.75
D	A+	**Sequoia Fund/Ruane Cunniff**	23.8	35.0	3.5	573	49	†	1.00
		Shearson Aggressive Growth Fund/Shearson	—*	19.9	0.7	113	-7	5.00	1.23
B	B	**Shearson Appreciation Fund/Shearson**	18.7	30.6	1.2	149	33	5.00	1.00
		Shearson Fundamental Value Fund/Shearson	—*	28.1	3.1	108	192	5.00	1.30
		Shearson Global Opportunities/Shearson	—*	—*	—*	73	—	5.00	1.54
C	C	**Sherman, Dean Fund/Sherman Dean**	8.4	-8.3	0.2	4	-12	none	2.00‡
C	D	**Sierra Growth Fund/Sierra**	7.6	-3.5	0.5	5	-20	none	2.02
B	B	**Sigma Capital Shares/Delfi Capital**	19.1	34.8	1.4	54	50	8.50	1.11
D	B	**Sigma Investment Shares/Delfi Capital**	12.9	29.0	5.0	64	23	8.50	1.06‡
B	C	**Sigma Special Fund/Delfi Capital**	14.7	24.1	2.0	17	12	8.50	1.31‡
A	B	**Sigma Venture Shares/Delfi Capital**	22.7	30.0	0.7	68	45	8.50	0.99
B	C	**Smith, Barney Equity Fund/Smith Barney**	14.6	22.9	2.2	63	14	none	0.92
D	A	**Smith, Barney-Income & Growth/Smith Barney**	16.7	31.2	5.4	48	464	5.75	0.75
C	A+	**Source Capital/closed end**	22.8	31.6	4.2	274	14	NA	0.97
D	A	**Sovereign Investors/Sovereign**	14.0	35.0	4.8	20	50	5.00	1.00
A+	D	**Spectra Fund/closed end**	19.8	26.5	none	5	21	NA	2.73
D	D	**State Bond Common Stock Fund/State Bond**	8.0	23.3	2.0	30	10	8.50	1.15
D	C	**State Bond Diversified Fund/State Bond**	10.5	27.3	4.3	12	22	8.50	0.89
B	D	**State Bond Progress Fund/State Bond**	12.2	17.8	1.3	7	10	8.50	1.16
		State Street Exchange Fund/†	—*	29.3	2.8	130	17	NA	0.61

Total return is for 9/30/76 to 6/30/85. Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. *Fund not in operation for full period. ●Fund rated for two periods only; maximum allowable grade A. †Fund not currently selling new shares. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82)*. [24]Formerly Scudder Common Stock Fund. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on p. 150.

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1985 Fund Ratings

Stock funds

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-85	Latest 12 months: total return	Latest 12 months: return from income dividends
		Standard & Poor's 500 stock average	12.5%	30.9%	4.2%
		FORBES stock fund composite	15.2%	22.3%	2.7%
		State Street Growth Fund/†	12.1%	26.9%	3.7%
C	C	**State Street Investment Corp/State Street**	13.6	27.2	3.5
D	F	**Steadman American Industry Fund/Steadman**	3.1	–5.7	none
F	B	**Steadman Associated Fund/Steadman**	6.0	7.1	4.4
F	D	**Steadman Investment Fund/Steadman**	5.5	20.2	0.7
D	F	**Steadman Oceanographic Tech & Gr/Steadman**	3.8	–11.9	none
A+	D	**Stein Roe & Farnham Cap Opportunities/Stein Roe**	17.4	12.2	1.3
A	F	**Stein Roe & Farnham Stock Fund/Stein Roe**	12.4	27.4	2.2
		SteinRoe Discovery Fund/Stein Roe	—*	37.0	0.3
•A	•C	**SteinRoe Special Fund/Stein Roe**	—*	30.7	1.1
•A	•D	**SteinRoe Universe Fund/Stein Roe**	—*	22.7	1.6
		Stralem Fund/Stralem	—*	9.3	7.3
		Strategic Capital Gains/Strategic	—*	–4.4	none
A	•F	**Strategic Investments Fund/Strategic**	—*	–33.1	4.4
		Strategic Silver Fund/Strategic	—*	—*	—*
C	C	**Stratton Growth Fund/Stratton**	14.7	26.4	0.7
D	A+	**Stratton Monthly Dividend Shares[26]/Stratton**	14.1	49.7	8.1
		Summit Investor's Fund/AIM Distributor	—*	26.8	0.7
		Sunbelt Growth Fund/Criterion	—*	20.4	2.5
B	D	**Surveyor Fund/Alliance**	12.6	15.6	0.9
B	D	**Technology Fund/Kemper**	14.5	19.8	2.8
		Templeton Foreign Fund/Securities Fund	—*	16.4	2.1
		Templeton Global I/Securities Fund	—*	29.5	2.1
		Templeton Global II/Securities Fund	—*	29.0	1.6
C	A	**Templeton Growth Fund/Securities Fund**	18.5	24.3	2.4
C	•B	**Templeton World Fund/Securities Fund**	—*	27.9	2.7
		Thomson McKinnon Growth Fund/Thomson	—*	26.1	2.1
		Thomson McKinnon Opportunity Fund/Thomson	—*	26.5	0.6
D	C	**Transatlantic Fund/Transatlantic**	8.5	6.4	0.5
C	D	**Tri-Continental Corp/closed end**	12.6	31.8	4.2
		Trustees' Commingled-Intl Equity/Vanguard	—*	16.4	3.9
•C	•C	**Trustees' Commingled-US Equity/Vanguard**	—*	22.4	4.7
A	B	**Tudor Fund/Weiss, Peck**	21.5	25.4	1.8
A+	C	**20th Century Growth Investors/20th Century**	26.1	25.4	1.1
A+	B	**20th Century Select Investors/20th Century**	28.0	31.3	1.7
		20th Century Ultra Investors/20th Century	—*	18.6	none
		20th Century Vista Investors/20th Century	—*	15.8	0.2
		UMB Stock Fund/Jones & Babson	—*	24.4	2.0

Total return is for 9/30/76 to 6/30/85. Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. *Fund not in operation for full period. •Fund rated for two periods only; maximum allowable grade A. †Fund not currently selling new shares. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82)*. **Available only through monthly contractual plans. [25]Assets as of 3/31/85. [26]Formerly Energy & Utility Shares. b: Includes back-end load. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on p. 150.

Total assets		Maximum sales charge	Annual expenses per $100
6/30/85 (millions)	% change '85 vs '84		
$236	16%	NA	$0.56
496	14	1.00b	0.52
9^{25}	–24	none	4.83‡
23^{25}	–16	none	2.60‡
10^{25}	–22	none	3.52‡
7^{25}	–17	none	4.43‡
191	–7	none	0.97
226	6	none	0.71
97	193	none	1.42
262	140	none	0.93
117	–36	none	1.19
12	52	none	1.52
8	–19	8.50	1.39
131	–24	8.50	1.20
8	—	8.50	1.12
15	26	none	1.61
16	87	none	1.72
25	276	••	1.49
143	–8	8.50	1.12
83	–3	8.50	0.96
671	20	8.50	0.60
86	40	8.50	0.84
267	21	†	1.09
272	88	8.50	0.88
1,114	32	8.50	0.77
2,209	49	8.50	0.63
69	132	5.00b	2.50‡
34	200	5.00b	2.50‡
29	–3	none	1.53‡
1,070	24	NA	0.55
445	126	none	0.63
282	19	none	0.53
130	52	0.50r	1.01
791	28	none	1.01
1,077	44	none	1.01
459	5	1.00r	1.01
119	32	1.00r	1.01
19	72	none	0.87

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THE Vanguard GROUP OF INVESTMENT COMPANIES

1985 Fund Ratings

Stock funds

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-85	Investment results: Latest 12 months total return	Investment results: Latest 12 months return from income dividends	Total assets 6/30/85 (millions)	Total assets % change '85 vs '84	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	12.5%	30.9%	4.2%				
		FORBES stock fund composite	15.2%	22.3%	2.7%				
		Unified Growth Fund/Unified	—	31.5%	2.0%	$17	65%	none	$1.10
C	C	**United Accumulative Fund/Waddell & Reed**	15.4%	33.2	4.9	576	26	8.50%	0.67‡
D	B	**United Income Fund/Waddell & Reed**	13.0	35.7	4.4	603	26	8.50	0.70‡
D	B	**United International Growth Fund/Waddell & Reed**	13.7	14.9	4.0	108	12	8.50	1.16‡
		United New Concepts Fund/Waddell & Reed	—*	7.3	3.7	31	6	8.50	1.48
C	D	**United Science & Energy Fund/Waddell & Reed**	12.0	12.4	5.7	164	1	8.50	0.96
A	C	**United Services-Gold Shares Fund/United Services**	26.6	–28.7	5.4	390	–12	none	1.11
		United Services-Good & Bad Times/United Services	—*	27.0	3.4	36	184	none	1.82
		United Services-Growth Fund/United Services	—*	0.5	none	13	127	none	1.78
		United Services-Prospector Fund/United Services	—*	–29.9	none	76	58	2.00b,r	1.55
B	B	**United Vanguard Fund/Waddell & Reed**	21.0	17.4	5.0	409	26	8.50	1.04‡
		USAA Gold Fund/USAA	—*	—*	—*	14	—	none	1.99
		USAA Investment Trust-Cornerstone Fund/USAA	—*	—*	—*	13	—	none	1.99
•B	•D	**USAA Mutual-Growth Fund/USAA**	—*	25.3	1.5	156	39	none	1.11
		USAA Mutual-Sunbelt Era Fund/USAA	—*	19.2	0.5	131	53	none	1.14
F	A+	**Valley Forge Fund/Valley Forge**	18.2	10.7	5.3	10	89	none	1.70
B	B	**Value Line Fund/Value Line**	16.7	28.6	1.5	202	24	none	0.81
D	A	**Value Line Income Fund/Value Line**	16.4	30.4	7.1	132	22	none	0.87
C	A	**Value Line Leveraged Growth Investors/Value Line**	22.7	32.2	0.7	231	33	none	0.81
A	B	**Value Line Special Situations/Value Line**	17.2	6.0	0.3	259	8	none	1.08
		Vance, Sanders Exchange Fund/†	12.6*	23.7	2.6	143	12	NA	0.68
B	A	**Vance, Sanders Special Fund/Eaton Vance**	18.3	8.5	3.1	116	5	8.50	0.93
C	D	**Vanguard Index Trust/Vanguard**	11.3*	30.5	3.9	390	69	none	0.27
D	A+	**Vanguard Qualified Dividend Port I/Vanguard**	21.2*	50.3	7.6	158	174	†	0.67
		Vanguard Spec-Gold & Prec Metals/Vanguard	—*	–20.2	0.8	19	NM	1.00r	0.87
		Vanguard-Spec Health Care/Vanguard	—*	42.3	0.5	10	NM	1.00r	0.59
		Vanguard Spec-Service Economy/Vanguard	—*	49.0	0.6	20	NM	1.00r	0.58
		Vanguard-Spec Technology/Vanguard	—*	6.0	0.5	6	NM	1.00r	0.53
D	B	**Variable Stock Fund/Variable**	11.9	25.2	2.7	8	21	none	1.27
C	D	**Wall Street Fund/Wall Street**	9.3	25.6	1.0	7	21	5.50	2.00
D	A	**Washington Mutual Inv Fund/American Funds**	15.7	35.0	4.7	749	42	8.50	0.56
A+	C	**Weingarten Equity Fund/Prescott, Ball**	25.1	35.7	0.6	162	74	none	1.10
		Westergaard Fund/Ladenburg	—*	10.6	0.6	24	–9	8.50	1.70‡
C	A	**Windsor Fund/Vanguard**	19.4	42.6	5.3	3,749	99	†	0.63
		Windsor II/Vanguard	—*	—*	—*	5	—	none	NA
		World of Technology/Financial Prog	—*	–1.7	0.3	7	–37	none	1.50
B	D	**WPG Fund[27]/Weiss, Peck**	16.4	29.0	3.4	39	22	none	1.17
		Z-Seven Fund/closed end	—*	31.8	none	17	32	NA	3.06

Total return is for 9/30/76 to 6/30/85. Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. *Fund not in operation for full period. •Fund rated for two periods only; maximum allowable grade A. †Fund not currently selling new shares. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82)*. [27]Formerly ADV Fund. b: Includes back-end load. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on p. 150.

Balanced funds

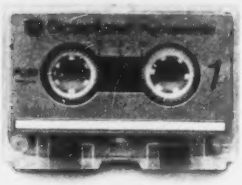
Balanced funds mix stocks and bonds. Generally, the mixture varies from half to two-thirds stock; FORBES classifies a fund as balanced if its common stocks are consistently less than 80% of the fund's assets (exclusive of cash). With their conservative bent, balanced funds tend to outperform pure stocks in bear markets and underperform stocks in bull markets. They're graded against one another separately from the stock funds.

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-85	Latest 12 months: total return	Latest 12 months: return from income dividends	Total assets 6/30/85 (millions)	Total assets % change '85 vs '84	Maximum sales charge	Annual expenses per $100
		50/50 composite of stock and bond indexes	11.0%	30.0%	8.7%				
		FORBES balanced fund composite	12.5%	28.6%	7.3%				
C	C	American Balanced Fund/American Funds	12.2%	31.7%	6.0%	$134	20%	8.50%	$0.75
A	B	American Capital Convertible Secs/closed end	19.5	21.7	6.7	78	15	NA	0.83
A+	D	American Capital Harbor Fund/American Cap	16.2	22.3	6.3	196	20	8.50	0.68
B	D	Axe-Houghton Fund B/Axe-Houghton	11.7	34.6	6.0	154	20	8.00	0.76
A	D	Bancroft Convertible Fund/closed end	12.7	21.7	6.1	52	19	NA	1.40
C	C	Bullock Balanced Shares[28]/Bullock	11.5	37.3	5.4	42	24	8.50	1.30
		Calvert Social Invest-Managed Growth/Calvert	—*	30.9	5.0	22	141	none	1.50‡
B	A	Castle Convertible Fund/closed end	17.2	27.4	8.8	33	16	NA	1.31
F	A	Cigna Income Fund/Cigna	9.0	25.4	10.5	207	9	5.00	0.69‡
B	F	Colonial Fund/Colonial	11.6	26.8	5.8	102	23	8.50	1.10
C	D	Commerce Income Shares/Criterion	12.1	34.8	5.4	58	25	8.50	1.08‡
B	D	Composite Bond & Stock Fund/Murphey Favre	11.6	29.3	7.4	36	53	4.00r	1.26‡
•B	•D	Convertible Yield Secs/AIM Distributor	—*	18.8	5.9	22	6	6.50	1.50
•F	•B	Country Capital Income Fund/Country Capital	—*	25.9	8.7	4	18	5.00	1.49
B	D	Dodge & Cox Balanced Fund/Dodge & Cox	11.7	29.0	6.0	22	22	none	0.76
D	C	Dreyfus Special Income Fund/Dreyfus	11.3	20.7	7.7	105	21	none	0.85‡
D	A+	Eaton Vance High Yield/Eaton Vance	8.8	30.3	11.7	24	16	6.75	1.05
D	B	Eaton Vance Income Fund of Boston/Eaton Vance	11.3	33.1	10.5	39	17	8.50	1.24
B	C	Eaton Vance Investors Fund/Eaton Vance	13.7	31.2	6.2	216	59	8.50	0.89
C	B	Federated Stock & Bond Fund[29]/Federated	12.8	26.5	6.2	27	3	none	1.52
B	B	Franklin Custodian-Income/Franklin	17.3	39.6	10.0	103	56	7.25	0.73
•A	•C	GPM Fund/Trusteed	—*	28.4	3.2	5	50	none	1.49
C	C	IDS Mutual/IDS	11.7	31.3	8.1	1,127	13	5.00	0.61‡
A+	D	Kemper Total Return Fund/Kemper	16.8	26.4	4.3	315	28	8.50	0.77
C	C	Keystone Custodian K-1/Keystone	11.5	24.9	6.7	291	358	4.00r	1.18‡
C	D	Loomis-Sayles Mutual Fund/NEL	11.6	34.7	5.7	104	27	none	0.85
D	A	Lord Abbett Income Fund/Lord Abbett	10.9	29.3	11.0	64	34	8.50	0.90
C	C	Mass Income Development Fund/Mass Financial	13.0	33.3	6.5	225	20	7.25	0.82
D	•B	Merrill Lynch Equi-Bond I Fund/ML Fund	—*	29.6	5.6	16	17	4.50b	1.50
		Merrill Lynch Phoenix Fund/ML Funds	—*	25.7	5.9	99	–5	6.50	1.17
D	B	Mutual of Omaha Income Fund/Mutual of Omaha	9.4	27.4	8.0	62	38	8.00	0.85
C	A	National Income Fund/National Secs	15.3	31.2	10.5	60	12	7.25	1.02
A	C	National Total Return Fund/National Secs	16.2	28.9	6.1	166	29	7.25	0.98
F	B	Newton Income Fund/Newton	6.6	17.5	9.5	12	70	none	1.66‡
F	B	Nicholas Income Fund/Nicholas	7.0	27.2	11.4	23	54	none	1.00

Total return is for 9/30/76 to 6/30/85. Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. *Fund not in operation for full period. •Fund rated for two periods only; maximum allowable grade A. †Fund not currently selling new shares. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82).* [28]Formerly Nation-Wide Securities. [29]Formerly Boston Foundation Fund. b: Includes back-end load. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on p. 150.

Smallest wonder



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1985 Fund Ratings

Balanced funds

Performance in UP markets	Performance in DOWN markets	Fund/distributor	Investment results: Average annual total return 1976-85	Latest 12 months: total return	Latest 12 months: return from income dividends
		50/50 composite of stock and bond indexes	11.0%	30.0%	8.7%
		FORBES balanced fund composite	12.5%	28.6%	7.3%
		Phoenix Balanced Fund/Phoenix	—*	34.6%	7.4%
B	B	Phoenix Convertible Fund/Phoenix	15.3%	21.3	6.2
C	A	Provident Fund for Income/American Cap	13.1	13.7	7.7
A	C	Putnam Convertible Income-Growth Trust[30]/Putnam	16.3	29.4	6.1
B	D	George Putnam Fund of Boston/Putnam	12.2	31.0	7.9
D	A+	Putnam Income Fund/Putnam	9.9	30.7	11.1
		Rea-Graham Fund/Rea-Graham	—*	28.0	3.9
D	B	Scudder Income Fund/Scudder	8.5	29.7	10.3
D	B	Seligman Income Fund/Seligman	12.7	35.3	9.2
C	B	Sentinel Balanced Fund/Equity Services	13.1	37.6	6.5
C	C	Sigma Trust Shares/Delfi Capital	12.4	32.4	5.9
A	C	Sogen International Fund/Sogen	17.0	21.7	4.4
D	A	Southwestern Investors Income Fund/Tenneco	9.0	27.8	9.7
A	F	SteinRoe Total Return Fund/Stein Roe	9.8	30.3	6.1
		Strong Investment Fund/Strong	—*	16.5	4.1
		Strong Total Return Fund/Strong	—*	20.1	3.4
		Unified Income Fund/Unified	—*	22.5	9.0
A	F	Unified Mutual Shares Fund/Unified	12.3	36.8	4.0
B	D	United Continental Income Fund/Waddell & Reed	14.5	40.9	6.1
•D	•A	USAA Mutual-Income Fund/USAA	—*	30.5	10.3
		Vanguard Star Fund/Vanguard	—*	—*	—*
D	A	Wellesley Income Fund/Vanguard	12.9	37.1	9.3
B	D	Wellington Fund/Vanguard	13.2	33.7	6.6

Bond & preferred stock

The funds below buy mostly preferred stocks, government bonds and corporate bonds. Such funds are appropriate for individuals, especially if put in a tax-deferred IRA-type account. But the ones that invest pri-

Not rated	Fund/distributor	Investment results: Average annual total return 1976-85	Latest 12 months: total return	Latest 12 months: return from income dividends
	Age High Income Fund/Franklin	10.5%	25.0%	13.2%
	Alliance Bond Fund-High Grade/Alliance	7.7	31.6	10.4
	Alliance Bond Fund-High Yield/Alliance	—*	—*	—*
	Alliance Mortgage Secs Income Fund/Alliance	—*	26.2	12.2
	American Capital Bond Fund/closed end	9.5	24.8	10.8

Total return is for 9/30/76 to 6/30/85. Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. Stock and balanced funds are rated only if in operation since 11/30/80. *Fund not in operation for full period. •Fund rated for two periods only; maximum allowable grade A. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82)*. [30] Formerly Putnam Convertible Fund. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on p. 150.

Total assets		Maximum sales charge	Annual expenses per $100
6/30/85 (millions)	% change '85 vs '84		
$82	21%	8.50%	$0.83
70	19	8.50	0.90
101	0	7.25	0.72
143	218	8.50	1.01
306	19	8.50	0.63
166	23	6.75	0.79
16	62	8.50	2.28
150	42	none	1.02
94	30	7.25	0.78
16	31	8.50	0.83
31	29	8.50	1.00‡
47	15	none	1.34
11	18	none	1.30
113	30	none	0.74
203	123	1.00	1.20
185	211	1.00	1.30
9	25	none	0.65
13	39	none	0.58
81	74	8.50	0.83‡
130	55	none	0.73
36	—	none	NA
156	59	none	0.71
720	28	none	0.59

marily in preferred stocks are designed to offer tax advantages to corporate investors, and are not for individuals.

Total assets		Maximum sales charge	Annual expenses per $100
6/30/85 (millions)	% change '85 vs '84		
$171	140%	4.00%	0.80
7	−13	5.50	1.01
36	—	5.50	NA
399	67	5.50	0.80
204	17	NA	0.78

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12/31/74 — 6/30/85

Value Line Leveraged Growth Investors	+1,210.2%
Value Line Special Situations	+711.2%
Value Line Fund	+625.4%
Value Line Income Fund	+559.0%
S&P 500 Average	+362.5%

The manager of this Fund Family and its affiliates have more than $100 million of their own money invested in it. Doesn't it make sense to invest with people who place their money where they are asking you to put yours? Return the coupon today or call our 24-hour, toll-free number 1-800-633-2252 and ask for operator 289.

NOTE: These percentage gains reflect the reinvestment of all distributions. The 10½-year period covered started at a relatively low point in the stock market as measured by the stock averages. This period was selected to compare the recovery of a widely followed but unmanaged index with that of the professionally managed Value Line Funds. Past performance is not indicative of future results.

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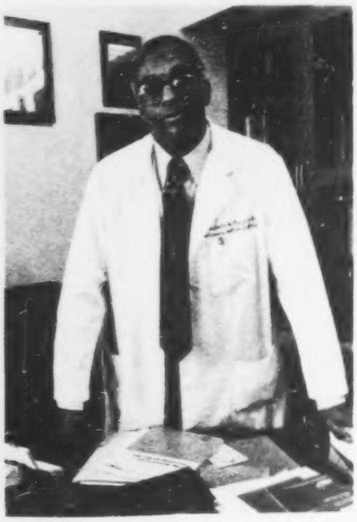
1985 Fund Ratings

Bond & preferred stock

		Investment results						
		Average	Latest 12 months		Total assets			
Not rated	Fund/distributor	annual total return 1976-85	total return	return from income dividends	6/30/85 (millions)	% change '85 vs '84	Maximum sales charge	Annual expenses per $100
	Merrill Lynch gov't/corporate bond index	9.5%	29.0%	13.1%				
	FORBES bond and preferred stock composite	9.3%	26.2%	10.8%				
	American Capital Corp Bond Fund/American Cap	8.7%	28.9%	11.8%	$ 95	19%	8.50%	$0.80
	American Capital Government Secs/American Cap	—*	—	—*	2,219	—	6.75	1.08‡
	American Capital High Yield Inv/American Cap	—*	27.5	12.6	468	26	6.75	0.71
	American Investors Income Fund/American Invest	10.4	16.8	12.3	20	23	none	1.55
	American National Bond Fund/Securities Mgmt	—*	23.0	10.5	5	19	5.00	1.00
	AMEV US Govt Secs Fund[31]/AMEV Investors	9.3	25.0	11.5	15	18	8.50	1.07
	Axe-Houghton Income Fund/Axe-Houghton	10.0	35.7	10.2	37	24	8.00	1.09
	Babson Bond Trust/Jones & Babson	8.8	24.7	10.9	48	30	none	0.92
	Bond Fund of America/American Funds	10.2	28.6	10.9	403	26	8.50	0.66
	Boston Co Managed Income Fund[32]/Boston Co	—*	24.3	9.7	9	72	none	1.50
	Bull & Bear High Yield Fund/Bull & Bear	—*	23.5	13.5	34	285	none	1.18
	Bullock High Income Shares[33]/Bullock	—*	19.8	14.7	116	51	7.25	1.10
	Bullock Monthly Income Shares[34]/Bullock	8.6	33.8	10.2	42	22	8.50	1.18
	Bullock US Government Income Shares/Bullock	—*	—*	—*	12	—	5.00	NA‡
	Bunker Hill Income Securities/closed end	8.9	22.6	12.7	43	11	NA	0.92
	Calvert Fund-Income[35]/Calvert	—*	32.9	10.2	12	66	none	0.75‡
	Capital Preservation Treasury Note/Benham	—*	16.2	9.3	16	50	none	1.00
	Carnegie Govt Secs Trust-Intermediate/Carnegie	—*	23.0	10.8	16	28	4.00	1.00
	Cigna High Yield Fund/Cigna	—*	25.4	12.9	114	50	5.00	0.88‡
	Circle Income Shares/closed end	9.4	23.6	11.4	31	14	NA	0.90
	CNA Income Shares/closed end	9.5	26.5	11.3	55	15	NA	1.14
	Colonial Enhanced Mortgage Trust/Colonial	—*	—*	—*	14	—	4.75	NA‡
	Colonial Govt Securities Plus Trust/Colonial	—*	25.8	9.9	1,400	251	6.75	0.95‡
	Colonial High Yield Securities/Colonial	9.9	25.2	13.0	105	29	6.75	1.14
	Colonial Income Fund/Colonial	8.7	27.7	11.9	145	4	6.75	0.95
	Columbia Fixed Income Secs Fund/Columbia	—*	24.5	11.6	57	76	none	1.05‡
	Composite Income Fund/Murphey Favre	7.5	29.8	12.4	14	306	4.00	1.19‡
	Composite US Govt Securities/Murphey Favre	—*	18.7	11.8	37	NM	4.00	0.08‡
	Criterion Bond-US Govt High Yield/Criterion	—*	—*	—*	216	—	6.75	0.33‡
	Criterion Bond-Investment Quality/Criterion	—*	35.8	11.2	87	27	4.50	1.01‡
	Current Income Shares/closed end	8.6	39.6	10.4	40	25	NA	0.90
	Dean Witter High Yield Secs/Dean Witter	—*	22.9	13.3	573	37	5.50	0.69
	Dean Witter US Govt Secs Trust/Dean Witter	—*	18.7	11.5	3,447	256	5.00b	1.35‡
	Delchester Bond Fund/Delaware	—*	28.7	13.0	60	47	8.50	0.90
	Drexel Bond Debenture Trading Fund/closed end	10.5	41.8	10.3	49	28	NA	1.16
	Drexel Series-Government Secs/Drexel Burnham	—*	—*	—*	45	—	5.00b	2.33‡
	Dreyfus A Bonds Plus/Dreyfus	9.6	29.8	10.5	155	64	none	0.94
	Eaton Vance Govt Obligations Trust/Eaton Vance	—*	—*	—*	172	—	6.75	NA‡
	Excelsior Income Shares/closed end	7.9	31.3	10.7	39	21	NA	1.01

Total return is for 9/30/76 to 6/30/85. Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. *Fund not in operation for full period. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82)*. [31]Formerly St. Paul Income Fund. [32]Formerly Boston Co Govt Income Fund. [33]Formerly High Income Shares. [34]Formerly Monthly Income Shares. [35]Formerly Calvert Income Fund. b: Includes back-end load. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on p. 150.



You can help us raise the colorectal cancer cure rate.

"If everyone over 50 had checkups for colorectal cancer, the cure rate could be as high as 75%," says Dr. LaSalle D. Leffall, Jr., past president, American Cancer Society. "You can't cure it if you don't know you have it." But if it's detected early, the cure rate for colorectal cancer is very high. Your doctor can perform the digital and proctoscopic exams, and you take care of the simple stool blood test at home.

Since men and women are equally affected by this disease, we urge everyone over 50 to get regular checkups.

The warning signs for colorectal cancer are a change in bowel habits and blood in the stool.

People with a family history of colon or rectal cancer or ulcerative colitis are at higher risk and are urged to be doubly cautious.

Checkup Guidelines for men and women over 50 without symptoms:
- digital exam annually
- stool blood test annually
- procto exam every 3 to 5 years after 2 negative tests 1 year apart.

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Bond & preferred stock

		Investment results		
		Average	Latest 12 months	
Not rated	Fund/distributor	annual total return 1976-85	total return	return from income dividends
	Merrill Lynch gov't/corporate bond index	9.5%	29.0%	13.1%
	FORBES bond and preferred stock composite	9.3%	26.2%	10.8%
	Federated GNMA Trust/Federated	—*	28.9%	11.5%
	Federated High Income Secs Fund/Federated	—*	26.9	12.7
	Federated Income Trust/Federated	—*	28.0	11.5
	Federated Intermediate Govt Trust/Federated	—*	22.7	11.0
	Federated Short-Intermediate Govt Trust/Federated	—*	17.9	11.2
	Fidelity Corporate Bond Fund/Fidelity	8.6%	26.7	11.5
	Fidelity Government Securities Fund/Fidelity	—*	23.1	10.8
	Fidelity High Income Fund/Fidelity	—*	29.6	12.7
	Fidelity Mortgage Secs Fund/Fidelity	—*	—*	—*
	Fidelity Thrift Trust/Fidelity	11.2	29.1	10.8
	Financial Bond Shares-High Yield/Financial Prog	—*	31.4	11.9
	Financial Bond Shares-Select Inc[36]/Financial Prog	—*	24.2	10.6
	First Investors Bond Appreciation/First Investors	—*	19.7	10.6
	First Investors Fund for Income/First Investors	9.4	18.1	14.1
	First Investors Government Fund/First Investors	—*	—*	—*
	Fort Dearborn Income Securities/closed end	8.8	41.2	10.0
	FPA New Income/Angeles/Quinoco	9.0	33.3	9.6
	Franklin Custodian-US Govt/Franklin	6.8	28.3	12.3
	Fund for US Govt Securities/Federated	8.4	26.8	11.5
	GIT Income Trust-A-Rated/GIT	—*	31.8	10.5
	GIT Income Trust-Maximum Income/GIT	—*	25.4	12.8
	John Hancock Bond Trust/Hancock	8.2	31.0	10.4
	John Hancock Income Securities/closed end	9.2	33.2	10.4
	John Hancock Investors/closed end	9.6	31.4	10.9
	John Hancock US Govt Guaranteed Mort/Hancock	—*	—*	—*
	John Hancock US Govt Secs Trust[37]/Hancock	8.1	23.3	9.5
	Hatteras Income Securities/closed end	9.8	32.0	11.0
	High Yield Securities/AIM Distributor	—*	17.2	12.6
	Hutton Investment-Bond & Income/Hutton	—*	29.9	11.2
	Hutton Investment-Govt Secs/Hutton	—*	17.8	9.9
	IDS Bond Fund/IDS	9.4	23.8	12.0
	IDS Extra Income Fund/IDS	—*	22.0	13.2
	IDS Selective Fund/IDS	9.6	23.9	11.4
	IDS Strategy Fund-Income/IDS	—*	24.5	10.1
	INA Investment Securities/closed end	8.5	21.1	11.0
	Independence Square Income Secs/closed end	9.7	36.7	11.2
	InterCapital Income Securities/closed end	9.4	31.4	11.6
	Investment Portfolio-Govt Plus/Kemper	—*	—*	—*

Total return is for 9/30/76 to 6/30/85. Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. *Fund not in operation for full period. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82).* [36]Formerly Financial Bond Shares-Bond Shares Portfolio. [37]John Hancock US Govt Secs Fund. b: Includes back-end load. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on p. 150.

Total assets		Maximum sales charge	Annual expenses per $100
6/30/85 (millions)	% change '85 vs '84		
$246	36%	none	$0.53
196	31	6.50%	1.08‡
157	11	none	0.49
264	77	none	0.36
886	NM	none	0.27
185	38	none	0.79
127	74	none	0.85
574	119	none	0.85
112	—	1.00	0.75‡
204	82	none	0.73
9	424	4.00	0.43
9	28	none	0.23
126	48	7.25	1.08
1,162	36	8.50	0.89
50	—	7.25	0.03
92	27	NA	0.87
5	20	none	1.54
4,663	176	4.00	0.54
222	364	none	1.18‡
6	87	none	0.89‡
10	164	none	0.93‡
924	39	8.50	0.79
139	19	NA	0.74
137	19	NA	0.73
82	—	8.50	1.18
127	24	8.50	0.97
48	20	NA	0.99
88	0	6.50	0.97
196	29	5.00b	1.91‡
1,788	765	5.00b	1.65‡
1,302	23	3.50	0.63‡
475	332	5.00	0.93‡
817	15	5.00	0.62‡
30	NM	5.00b	0.83‡
80	16	NA	0.98
30	24	NA	1.06
188	21	NA	0.69
506	—	6.00b	2.19‡

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12.8% for the 10 years ended 12/31/84

18.0% for the 15 years ended 12/31/84

†See page 6 of the current prospectus.

INTERNATIONAL INVESTORS INC. outperformed all U.S. equity mutual funds monitored by Lipper Analytical Services, Inc. for the 15 years ended December 31, 1984. During this period gold and gold mining shares fluctuated cyclically in a long-term bull market. Although past performance is no guarantee of future results and III's net asset value will fluctuate, Management believes that the long-term gold bull market will continue.

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- Average annual compounded return from 12/31/81 (inception) through 6/30/85: + 26.5%, for a total 3½ year return of 127.4% (assuming the reinvestment of all dividends).
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1985 Fund Ratings

Bond & preferred stock

		Investment results						
		Average annual total return	Latest 12 months		Total assets			
Not rated	Fund/distributor	1976-85	total return	return from income dividends	6/30/85 (millions)	% change '85 vs '84	Maximum sales charge	Annual expenses per $100
	Merrill Lynch gov't/corporate bond index	9.5%	29.0%	13.1%				
	FORBES bond and preferred stock composite	9.3%	26.2%	10.8%				
	Investment Portfolio-High Yield/Kemper	—*	23.5%	10.9%	$ 37	671%	6.00b	$2.23‡
	Investment Trust of Boston-High Income Plus/ITB	—*	24.6	11.8	18	124	7.25	1.50
	JP Income Fund/Jefferson-Pilot	—*	36.4	10.6	20	4	8.00	0.85
	Kemper High Yield Fund/Kemper	—*	25.7	12.2	224	24	6.75	0.72
	Kemper Inc & Cap Preservation Fund/Kemper	9.2%	26.4	12.2	126	31	6.00	0.69
	Kemper US Govt Secs Fund/Kemper	—*	25.0	11.8	585	158	4.00	0.62
	Keystone Custodian B-1/Keystone	9.7	30.4	10.3	82	42	4.00r	1.08‡
	Keystone Custodian B-2/Keystone	10.4	25.9	11.1	204	116	4.00r	1.04‡
	Keystone Custodian B-4/Keystone	11.0	19.6	12.7	657	67	4.00r	0.88‡
	Lexington GNMA Income Fund/Lexington	6.8	24.9	11.2	41	80	none	1.22‡
	LG Investment-LG US Govt Secs/Leshner	—*	14.3	2.8	24	634	4.00	0.99
	Liberty Fund/Neuberger	7.8	23.9	9.0	9	16	none	2.00
	Lincoln National Direct Placement Fund/closed end	13.6	31.6	10.1	62	18	NA	1.00
	Lord Abbett Bond Debenture Fund/Lord Abbett	11.2	23.5	11.5	250	31	8.50	0.71
	Mass Financial Bond Fund/Mass Financial	9.2	28.8	10.5	266	18	7.25	0.84
	Mass Financial High Income Trust/Mass Financial	—*	20.5	13.4	469	36	7.25	0.87
	Mass Financial International-Bond/Mass Financial	—*	17.1	7.4	38	7	7.25	1.40
	MassMutual Corporate Investors/closed end	14.7	21.2	10.1	113	9	NA	1.29
	MassMutual Income Investors/closed end	9.0	26.2	12.0	119	13	NA	1.01
	Merrill Lynch Corp Bond-High Income/ML Funds	—*	25.0	12.3	284	24	4.00	0.84
	Merrill Lynch Corp Bond-High Quality/ML Funds	—*	31.7	10.9	132	17	4.00	0.85
	Merrill Lynch Corp Bond-Intermediate/ML Funds	—*	28.0	10.8	38	40	2.00	0.50
	Merrill Lynch Federal Secs Trust/ML Funds	—*	—*	—*	2,375	—	6.25	0.64‡
	MFS Government Guaranteed Secs/Mass Financial	—*	—*	—*	177	—	4.75	1.29‡
	Midwest Income-Intermediate Term Govt/Leshner	—*	18.6	10.0	32	31	none	1.11‡
	Montgomery Street Income Securities/closed end	8.8	32.3	10.9	148	19	NA	0.89
	Mutual of Omaha America Fund/Mutual of Omaha	8.1	23.9	9.9	22	24	none	1.11
	Mutual of Omaha Interest Shares/closed end	8.6	27.4	10.8	85	19	NA	0.82
	National Bond Fund/National Secs	9.1	27.8	13.9	329	54	7.25	1.04
	National Federal Securities Trust/National Secs	—*	—*	—*	232	—	6.75	0.21
	National Preferred Fund/National Secs	11.4	29.4	9.4	4	8	7.25	1.19
	Nationwide Bond Fund/Nationwide	—*	27.3	10.7	9	65	7.50	0.73
	NEL Income Fund/NEL	7.7	24.1	9.9	37	11	8.00	0.83
	North Star Bond Fund/North Star	—*	32.3	10.1	23	27	none	0.70
	Northeast Investors Trust/Northeast Inves	9.8	33.9	12.0	209	36	none	0.74
	Oppenheimer High Yield Fund/Oppenheimer Inv	—*	18.1	14.0	475	22	6.75	0.93
	Oppenheimer Retire-US Govt Secs/Oppenheimer Inv	—*	—*	—*	5	—	8.50	NA
	Pacific American Income Shares/closed end	9.7	36.0	10.1	86	22	NA	0.90

Total return is for 9/30/76 to 6/30/85. Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. *Fund not in operation for full period. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82)*. b: Includes back-end load. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on p. 150.

1985 Fund Ratings

Bond & preferred stock

Not rated	Fund/distributor	Investment results Average annual total return 1976-85	Latest 12 months total return	return from income dividends	Total assets 6/30/85 (millions)	% change '85 vs '84	Maximum sales charge	Annual expenses per $100
	Merrill Lynch gov't/corporate bond index	9.5%	29.0%	13.1%				
	FORBES bond and preferred stock composite	9.3%	26.2%	10.8%				
	PaineWebber Fixed Inc-GNMA/PaineWebber	—*	—*	—*	$711	—	4.25%	$1.02
	PaineWebber Fixed Inc-High Yield/PaineWebber	—*	—*	—*	74	—	4.25	0.88
	PaineWebber Fixed Inc-Invest Grade/PaineWebber	—*	—*	—*	76	—	4.25	0.64
	Phoenix High Quality Bond Fund/Phoenix	—*	26.2%	9.5%	4	7%	7.00	1.55
	Phoenix High Yield Fund/Phoenix	—*	23.2	12.3	62	37	7.00	0.91
	Pilgrim GNMA Fund/Pilgrim	—*	—*	—*	11	—	4.00	1.00‡
	Pilgrim High Yield Trust[38]/Pilgrim	10.3%	23.8	11.1	12	68	4.00	1.33‡
	Pioneer Bond Fund/Pioneer	—*	23.7	10.8	18	25	8.50	1.00
	T Rowe Price High Yield Fund/Price	—*	—*	—*	154	—	none	1.00
	T Rowe Price New Income Fund/Price	9.8	17.7	11.3	788	27	none	0.64
	T Rowe Price Short-Term Bond Fund/Price	—*	15.4	10.2	56	202	none	0.90
	PRO Income Fund/PRO	8.1	19.8	9.8	20	–1	none	1.28‡
	Prudential-Bache Adjustable Rate Pfd Stk/Pru-Bache	—*	14.6	9.7	246	11	none	1.15‡
	Prudential-Bache Govt Plus Fund/Pru-Bache	—*	—*	—*	1,952	NM	5.00b	NA‡
	Prudential-Bache Govt Secs-Inter Term/Pru-Bache	—*	23.4	9.8	37	–10	none	0.84‡
	Prudential-Bache High Yield Fund/Pru-Bache	—*	24.8	12.9	31	–86	5.00b	0.90‡
	Prudential-Bache Quality Income Fund/Pru-Bache	—*	23.6	10.1	36	42	5.00b	1.65‡
	Putnam High Income Government Trust/Putnam	—*	—*	—*	411	—	6.75	NA‡
	Putnam High Yield Trust/Putnam	—*	22.9	14.4	1,142	94	6.75	0.64
	Putnam US Govt Guaranteed Secs/Putnam	—*	25.6	12.1	261	212	4.75	NA
	Revere AE Capital Fund[39]/closed end	8.8	14.9	9.6	38	6	NA	1.38
	RPF of America-Bond Fund/Venture	—*	20.8	12.3	23	704	5.00r	1.50‡
	St Paul Securities/closed end	8.6	26.1	11.5	103	16	NA	0.94
	Scudder Target Fund-General 1990/Scudder	—*	26.9	8.2	11	40	none	1.00
	Security Bond Fund/Security	8.9	26.9	12.3	37	23	none	0.85
	Seligman High Inc-High Yield Bond/Seligman	—*	—*	—*	8	—	4.75	NA‡
	Seligman High Inc-Secured Mortgage/Seligman	—*	—*	—*	23	—	4.75	NA‡
	Seligman High Inc-US Govt Guaranteed/Seligman	—*	—*	—*	19	—	4.25	NA‡
	Sentinel Bond Fund/Equity Services	—*	25.7	10.7	16	27	8.50	0.74
	Shearson High Yield Fund/Shearson	—*	24.8	12.9	218	50	5.00	0.83
	Shearson Managed Governments/Shearson	—*	—*	—*	905	—	5.00	0.85
	Sigma Income Shares/Delfi Capital	8.8	35.3	9.6	21	25	8.50	0.83
	Smith, Barney-Income Return/Smith Barney	—*	—*	—*	10	—	2.50	NA
	Smith, Barney-US Govt Secs/Smith Barney	—*	—*	—*	128	—	5.75	0.43
	State Mutual Securities/closed end	9.0	28.4	11.1	87	14	NA	1.12
	SteinRoe Bond Fund/Stein Roe	—*	28.2	10.3	135	56	none	0.70
	Thomson McKinnon Income Fund/Thomson	—*	23.8	11.4	122	211	5.00b	2.40‡
	Transamerica Income Shares/closed end	9.7	34.3	10.6	109	21	NA	0.69
	20th Century US Govt Investors/20th Century	—*	19.6	10.1	65	8	none	1.01
	UMB Bond Fund/Jones & Babson	—*	24.5	4.5	10	63	none	0.87

Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. *Fund not in operation for full period. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82)*. [38] Formerly Magna Income Trust. [39] Formerly Paul Revere Investors. b: Includes back-end load. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on p. 150.

Bond & preferred stock

Not rated	Fund/distributor	**Investment results** Average annual total return 1976-85	Latest 12 months total return	Latest 12 months return from income dividends	Total assets 6/30/85 (millions)	Total assets % change '85 vs '84	Maximum sales charge	Annual expenses per $100
	Merrill Lynch gov't/corporate bond index	9.5%	29.0%	13.1%				
	FORBES bond and preferred stock composite	9.3%	26.2%	10.8%				
	United Bond Fund/Waddell & Reed	8.8%	30.7%	11.5%	$323	19%	8.50%	$0.73‡
	United Govt Secs Fund/Waddell & Reed	—*	22.7	10.9	62	615	4.00	0.76
	United High Income Fund/Waddell & Reed	—*	27.8	12.8	755	57	8.50	0.83‡
	USLife Income Fund/closed end	10.3	36.7	11.3	53	21	NA	1.36
	Value Line Bond Fund/Value Line	—*	31.8	10.2	67	38	none	0.92
	Van Kampen Merritt US Govt Fund/Van Kampen	—*	23.2	12.5	616	NM	4.75	0.88
	Vanguard Fixed Income Secs-GNMA/Vanguard	—*	29.4	11.3	522	161	none	0.58
	Vanguard Fixed Income Secs-High Yield/Vanguard	—*	25.9	13.6	367	177	none	0.65
	Vanguard Fixed Income Secs-Inv Grade/Vanguard	9.7	30.7	12.3	176	147	none	0.62
	Vanguard Fixed Income Secs-ST/Vanguard	—*	21.9	10.3	143	21	none	0.62
	Vanguard Qualified Dividend Port II/Vanguard	9.4*	38.2	11.3	81	91	none	0.66
	Vanguard Qualified Dividend Port III/Vanguard	—*	16.3	9.9	153	7	none	NA
	Venture Income (+) Plus/Venture	—*	24.0	14.8	42	45	8.50	1.35
	Vestaur Securities/closed end	9.8	33.7	10.6	76	23	NA	1.10
	Yes Fund/Great American	—*	20.5	14.0	129	279	3.75	107‡

Municipal bond funds

Municipal bond funds in existence since June 1980 are graded according to their five-year total return (price appreciation plus reinvested dividends) as computed by Lipper Analytical Services. The best of the lot, Colonial Tax Exempt High-Yield Trust, averaged 16% a year; the median tax-free fund, 8%. In choosing, consider risk as well as performance grade. High-yield portfolios are riskier than most; short-term portfolios are safer.

Long-term performance	Fund/distributor	**Investment results** Date started	Latest 12 months total return**	Latest 12 months return from income dividends**	Total assets 6/30/85 (millions)	Total assets % change '85 vs '84	Maximum sales charge	Annual expenses per $100
B	**American Capital Muni Bond Fund/American Cap**	11/76	23.3%	8.3%	$97	52%	4.75%	$0.80
D	**Babson Tax-Free Income-Long Term/Jones & Babson**	2/80	25.0	8.3	16	34	none	0.91
C	**Babson Tax-Free Income-Short Term/Jones & Babson**	2/80	13.8	6.7	10.3	56	none	0.92
	Benham Calif Tax-Free-Intermediate/Benham	11/83	16.0	6.9	53	109	none	1.00
	Benham Calif Tax-Free-Long-Term/Benham	11/83	22.2	8.3	78	250	none	1.00
	Benham National Tax-Free-Long Term/Benham	8/84	—*	—*	9	—	none	NA
	Bull & Bear Tax-Free Income Fund/Bull & Bear	3/84	25.9	8.6	8	159	none	0.82
C	**Bullock Tax-Free Shares/Bullock**	2/77	24.9	8.4	75	42	4.75	1.12
	California Tax Exempt Bonds/National Secs	5/83	24.2	8.5	42	78	5.25	0.56
	Calvert Tax Free Reserves-Long-Term/Calvert	9/83	24.2	8.3	45	124	none	0.71

Total return is for 9/30/76 to 6/30/85. Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. *Fund not in operation for full period. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82).* ***Performance data: Lipper Analytical Services.* NA: Not applicable or not available. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on p. 150.

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1985 Fund Ratings

Municipal bond funds

			Investment results	
			Latest 12 months	
Long-term performance	Fund/distributor	Date started	total return**	return from income dividends**
	Shearson Lehman municipal bond index	—	**26.1%**	**9.9%**
	FORBES municipal bond composite	—	**22.5%**	**7.8%**
	Calvert Tax-Free Reserves-Limited/Calvert	4/81	11.0%	6.5%
	Cigna Municipal Bond Fund/Cigna	3/77	22.0	8.9
A+	Colonial Tax-Exempt High Yield Trust[°‡]/Colonial	11/78	25.2	13.0
	Columbia Municipal Bond Fund/Columbia	7/84	—*	—*
C	Composite Tax-Exempt Bond Fund/Murphey Favre	1/77	24.9	8.4
D	Country Capital Tax Exempt Bond/Country Capital	11/78	2[illegible].0	7.4
	DBL Tax-Free Cash Fund-Ltd Term/Drexel	4/85	—*	—*
	Dean Witter California Tax-Free/Dean Witter	7/84	—*	—*
	Dean Witter NY Tax-Free Income/Dean Witter	4/85	—*	—*
A	Dean Witter Tax-Exempt Secs/Dean Witter	3/80	24.6	9.7
	DMC Tax-Free Income-USA/Delaware	1/84	27.1	9.2
C	DMC Tax-Free Income-PA/Delaware	3/77	22.0	8.9
	Dreyfus Calif Tax Exempt Bond/Dreyfus	7/83	20.6	8.2
	Dreyfus General Tax Exempt Bond Fund/Dreyfus	3/84	23.1	9.0
	Dreyfus Intermediate Tax Exempt Bond/Dreyfus	8/83	18.1	7.8
	Dreyfus NY Tax Exempt Bond Fund/Dreyfus	7/83	22.7	8.1
C	Dreyfus Tax Exempt Bond Fund/Dreyfus	10/76	22.6	8.7
B	Eaton Vance Muni Bond Fund/Eaton Vance	3/78	26.2	8.6
	Empire Builder Tax Free Bond Fund/ITB	6/84	22.0	7.5
C	Federated Tax-Free Income Fund/Federated	10/76	24.2	8.5
	Fidelity CalFree-Muni Bond/Fidelity	7/84	—*	—*
	Fidelity CalFree-Short Term/Fidelity	7/84	—*	—*
B	Fidelity High Yield Municipals/Fidelity	12/77	25.4	8.7
B	Fidelity Limited-Term Municipals/Fidelity	4/77	20.7	7.4
	Fidelity Mass Tax-Free-Muni Bond[‡]/Fidelity	11/83	25.8	8.8
D	Fidelity Municipal Bond Fund/Fidelity	8/76	24.8	8.1
	Fidelity NY Tax-Free Muni Bond/Fidelity	7/84	—*	—*
	Fidelity NY Tax-Free Short Term/Fidelity	7/84	—*	—*
	Financial Tax-Free Income Shares/Financial Prog	8/81	25.6	8.4
	First Investors New York Tax Free/First Investors	6/84	—*	6.2
A	First Investors Tax Exempt Fund/First Investors	8/77	24.2	8.1
D	Franklin California Tax-Free Income Fund/Franklin	2/77	21.5	8.9
	Franklin Federal Tax-Free Income/Franklin	9/83	26.1	9.2
	Franklin Michigan Insured Tax-Free Inc/Franklin	4/85	—*	—*
	Franklin NY Tax-Free Income Fund/Franklin	9/82	23.0	9.1
	GIT Tax-Free Trust High Yield/GIT	12/82	23.9	8.2
D	John Hancock Tax-Exempt Income Trust/Hancock	1/77	23.8	8.8
	Hawaiian Tax-Free Trust/STCM	2/85	—*	—*
	Hutton California Municipal Fund/Hutton	6/83	23.4	8.2

Total return is for 9/30/76 to 6/30/85. Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. *Fund not in operation for full period. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82)*. ***Performance data: Lipper Analytical Services.* °Formerly Colonial Tax Managed

Table of distributors, showing addresses and phone numbers, begins on p. 150.

Total assets		Maximum sales charge	Annual expenses per $100
6/30/85 (millions)	% change '85 vs '84		
$63	26%	none	$0.96
173	26	5.00%	0.67‡
470	4	4.75	0.79‡
38	—	2.00r	0.96‡
57	10	none	1.05‡
5	15	5.00	1.46
9	—	1.50	1.00‡
124	—	5.00b	0.23‡
40	—	5.00b	NA‡
361	183	4.00	0.68
87	312	4.75	0.80
99	75	4.75	0.81
559	146	none	0.76
13	600	none	6.89‡
569	137	none	0.82
694	155	none	0.76
2,590	39	none	0.70
25	52	3.75	0.80
15	508	4.75	1.50
138	210	none	1.14‡
55	—	none	1.00
26	—	none	0.30
1,340	71	none	0.53
264	49	none	0.79
173	262	none	0.89
812	33	none	0.53
45	—	none	1.00
55	—	none	0.30
85	42	none	0.65
31	NM	7.25	0.43
437	51	7.25	1.21
2,821	53	4.00	0.52
109	NM	4.00	0.85
9	—	4.00	NA
585	191	4.00	0.60
34	35	none	1.28‡
213	24	8.50	0.72
28	—	4.00	0.65
98	79	4.00	0.93

Trust. ††Formerly Fidelity Mass Tax-Free-Muni Bond† b: Includes back-end load. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available. NM: Not meaningful.

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1985 Fund Ratings

Municipal bond funds

		Investment results						
		Average	Latest 12 months		Total assets			
Long-term performance	Fund/distributor	Date started	total return**	return from income dividends**	6/30/85 (millions)	% change '85 vs '84	Maximum sales charge	Annual expenses per $100
	Shearson Lehman municipal bond index	—	**26.1%**	**9.9%**				
	FORBES municipal bond composite	—	**22.5%**	**7.8%**				
	Hutton National Municipal Fund/Hutton	6/83	28.3%	9.2%	$452	148%	4.00%	$0.80
	Hutton New York Municipal Fund/Hutton	6/83	22.3	8.4	119	122	4.00	0.93
A	IDS High Yield Tax-Exempt Fund/IDS	5/79	23.4	8.9	2,093	46	5.00	0.63‡
B	IDS Tax-Exempt Bond Fund/IDS	12/76	23.9	8.5	561	31	5.00	0.65‡
	Investment Trust of Boston Mass T-F Income/ITB	3/84	21.6	8.2	28	110	4.75	1.24
	Kemper Calif Tax-Free Income Fund/Kemper	1/83	25.1	8.4	85	66	4.50	0.79
A	**Kemper Muni Bond Fund/Kemper**	4/76	25.6	8.4	594	40	4.75	0.58
B	**Keystone Tax Free Fund/Keystone**	1/78	22.3	8.7	640	185	4.00r	1.08‡
	Lord Abbett Tax-Free-National/Lord Abbett	4/84	24.3	8.9	53	479	4.75	0.59
	Lord Abbett Tax-Free-NY/Lord Abbett	4/84	22.8	8.7	44	315	4.75	0.59
A	Merrill Lynch Muni Bond-High Yield/ML Funds	11/79	22.4	9.4	618	64	4.00	0.60
B	Merrill Lynch Muni Bond-Insured/ML Funds	11/77	22.2	8.9	922	45	4.00	0.72
D	Merrill Lynch Muni Bond-Ltd Maturity/ML Funds	11/79	8.7	6.8	429	2	1.00	0.43
	MFS Managed High Yield Muni/Mass Finl	2/84	16.1	10.0	232	526	4.75	1.12
	MFS Managed M-S Tax-Exempt-Md/Mass Finl	11/84	—*	—*	20	—	4.75	0.95‡
	MFS Managed M-S Tax-Exempt-Mass/Mass Finl	11/84	—*	—*	31	—	4.75	0.95‡
	MFS Managed M-S Tax-Exempt-NC/Mass Finl	11/84	—*	—*	33	—	4.75	0.95‡
	MFS Managed M-S Tax-Exempt-SC/Mass Finl	11/84	—*	—*	6	—	4.75	0.95‡
	MFS Managed M-S Tax-Exempt-Virginia/Mass Finl	11/84	—*	—*	51	—	4.75	0.95‡
	MFS Managed M-S Tax-Exempt-W Va/Mass Finl	11/84	—*	—*	13	—	4.75	0.95‡
A	MFS Managed Muni Bond Trust/Mass Financial	10/76	24.6	8.1	412	46	4.75	0.75
	Midwest Group Tax Free-Limited Term/Leshner	9/81	10.7	5.9	11	−26	none	1.01‡
D	Mutual of Omaha Tax-Free Inc/Mutual of Omaha	1/77	26.2	8.6	138	37	8.00	0.67
C	National Secs Tax Exempt Bonds/National Secs	11/76	26.0	8.6	46	37	5.25	0.83
A	NEL Tax Exempt Bond Fund/NEL	5/77	25.3	7.2	78	11	4.50	0.78
B	**Nuveen Muni Bond Fund/Nuveen**	11/76	24.7	7.3	441	41	none	0.73
	Oppenheimer NY Tax Exempt/Oppenheimer Inv	8/84	—*	—*	21	—	4.50	0.97
A	**Oppenheimer Tax-Free Bond/Oppenheimer Inv**	10/76	24.6	8.2	82	32	4.50	0.82
	PaineWebber Tax-Exempt Income/PaineWebber	12/84	—*	—*	79	—	4.25	0.18
	Park Ave NY Tax Exempt Intermediate/Dreyfus	11/84	—*	—*	8	—	none	NA‡
	T Rowe Price Tax-Free High Yield Fund/Price	3/85	—*	—*	52	—	none	1.00
B	T Rowe Price Tax-Free Income Fund/Price	11/76	15.6	7.8	1,052	22	none	0.63
	T Rowe Price Tax-Free Short-Intermediate/Price	12/83	11.1	6.4	90	124	none	0.90
	Prudential-Bache California Municipal/Pru-Bache	9/84	—*	—*	41	—	4.00b	0.63‡
A	Prudential-Bache High Yield Municipals/Pru-Bache	6/80	24.1	8.9	337	46	4.00b	0.74‡
	Prudential-Bache Muni-Arizona/Pru-Bache	9/84	—*	—*	17	—	4.00b	0.90‡
	Prudential-Bache Muni-Georgia/Pru-Bache	9/84	—*	—*	13	—	4.00b	0.80‡
	Prudential-Bache Muni-Maryland/Pru-Bache	1/85	—*	—*	9	—	4.00b	0.50‡

Total return is for 9/30/76 to 6/30/85. Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. *Fund not in operation for full period. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82)*. ***Performance data: Lipper Analytical Services.* b: Includes back-end load. r: Includes redemption fee that reverts to fund. NA: Not applicable or not available.

Table of distributors, showing addresses and phone numbers, begins on p. 150.

Municipal bond funds

		Investment results						
		Average	Latest 12 months		Total assets			
Long-term performance	Fund/distributor	Date started	total return**	return from income dividends**	6/30/85 (millions)	% change '85 vs '84	Maximum sales charge	Annual expenses per $100
	Shearson Lehman municipal bond index	—	**26.1%**	**9.9%**				
	FORBES municipal bond composite	—	**22.5%**	**7.8%**				
	Prudential-Bache Muni-Mass/Pru-Bache	9/84	—*	—*	$ 14	—	4.00b	$0.88‡
	Prudential-Bache Muni-Michigan/Pru-Bache	9/84	—*	—*	15	—	4.00b	0.80‡
	Prudential-Bache Muni New York/Pru-Bache	9/84	—*	—*	103	—	4.00b	1.21‡
	Prudential-Bache Muni-N Carolina/Pru-Bache	2/85	—*	—*	7	—	4.00b	0.50‡
	Prudential-Bache Muni-Ohio/Pru-Bache	9/84	—*	—*	20	—	4.00b	1.27‡
	Putnam California Tax Exempt Income/Putnam	6/83	22.1%	8.8%	429	49%	4.75	0.65
A	Putnam Tax Exempt Income Fund/Putnam	11/76	22.4	8.5	178	66	4.75	0.68
	Quality Tax Free Bond/Criterion	6/83	24.8	8.1	25	52	4.50	1.33
	Safeco California Tax Free Income Fund/Safeco	8/83	26.3	7.9	14	71	none	0.80
	Safeco Municipal Bond Fund/Safeco	11/81	27.5	8.6	104	101	none	0.68
	Scudder California Tax-Free Fund/Scudder	7/83	24.5	7.9	95	142	none	0.99
B	Scudder Managed Municipal Bonds/Scudder	10/76	26.6	8.2	585	31	none	0.61
	Scudder New York Tax-Free Fund/Scudder	7/83	20.9	7.8	76	149	none	1.01
	Scudder Tax-Free Target 1987/Scudder	4/83	11.6	6.3	27	102	none	0.93
	Scudder Tax-Free Target 1990/Scudder	4/83	15.2	7.3	48	151	none	0.83
	Scudder Tax-Free Target 1993/Scudder	4/83	19.2	7.6	40	172	none	0.89
D	Selected Tax-Exempt Bond Fund/Prescott, Ball	10/77	23.7	7.8	6	27	none	0.64
	Seligman Calif T-E-High Yield/Seligman	11/84	—*	—*	28	—	4.50	0.28‡
	Seligman Calif T-E-Quality/Seligman	11/84	—*	—*	21	—	4.50	0.36‡
	Seligman Tax-Exempt-Massachusetts/Seligman	11/83	22.6	8.2	59	209	4.75	0.81
	Seligman Tax Exempt-Michigan/Seligman	7/84	—*	—*	36	—	4.75	0.88
	Seligman Tax-Exempt-Minnesota/Seligman	11/83	24.7	8.1	50	141	4.75	0.87
	Seligman Tax Exempt-National/Seligman	11/83	26.6	8.4	42	133	4.75	0.91
	Seligman Tax-Exempt-New York/Seligman	11/83	22.9	8.0	32	115	4.75	0.77
	Seligman Tax-Exempt-Ohio/Seligman	11/83	24.1	8.3	47	193	4.75	0.85
	Shearson California Municipals/Shearson	4/84	22.8	8.6	64	300	5.00	0.33
	Shearson Managed Municipals/Shearson	3/81	23.5	8.7	320	65	5.00	0.69
	Shearson New York Municipals/Shearson	1/84	23.6	8.2	89	102	5.00	0.77
D	Sigma Tax-Free Bond Fund/Delfi Capital	8/79	28.9	7.7	8	49	4.75	1.16
	State Bond Tax Exempt Fund/State Bond	5/84	20.0	8.2	7	NM	4.50	1.00
	SteinRoe High Yield Muni/Stein Roe	3/84	24.6	9.0	63	409	none	0.80
A	SteinRoe Tax-Exempt Bond Fund/Stein Roe	2/77	26.6	8.4	299	50	none	0.64
A	Tax-Exempt Bond of America/American Funds	10/79	21.9	7.7	138	31	4.75	0.67
D	United Muni Bond Fund/Waddell & Reed	11/76	27.6	8.4	274	45	4.00	0.69‡
	USAA Tax-Exempt-High Yield/USAA	3/82	24.2	9.1	347	117	none	0.56
	USAA Tax-Exempt-Intermediate Term/USAA	3/82	19.6	8.5	122	74	none	0.64
	USAA Tax-Exempt-Short Term/USAA	3/82	11.5	7.0	85	29	none	0.70
	Value Line Tax Exempt-High Yield/Value Line	3/84	25.3	9.6	67	NM	none	0.17
	Van Kampen Merritt Insured Tax Free/Van Kampen	1/85	—*	—*	94	—	4.75	1.05

Total return is for 9/30/76 to 6/30/85. Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. *Fund not in operation for full period. ***Performance data: Lipper Analytical Services.* ‡Fund has 12b-1 plan pending or in force *(see story, p. 82).* b: Includes back-end load. NM: Not meaningful.

Table of distributors, showing addresses and phone numbers, begins on p. 150.

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1985 Fund Ratings

Municipal bond funds

			Investment results	
			Latest 12 months	
Long-term performance	Fund/distributor	Date started	total return**	return from income dividends**
	Shearson Lehman municipal bond index		26.1	9.9%
	FORBES municipal bond composite		22.5%	7.8%
B	Vanguard Muni Bond-High Yield/Vanguard	12/78	25.3%	9.0%
	Vanguard Muni Bond-Insured Long-Term/Vanguard	9/84	—*	—*
D	Vanguard Muni Bond-Intermediate-Term/Vanguard	9/77	21.7	8.3
C	Vanguard Muni Bond-Long-Term/Vanguard	9/77	25.2	8.8
C	Vanguard Muni Bond-Short-Term/Vanguard	9/77	8.8	6.6
	Venture Muni (+) Plus/Venture	10/84	—*	—*

Money market funds

Money market funds make short-term investments to generate income without variation in principal. Our listing of money market funds is divided into three categories: funds that invest primarily in U.S. Treasury and federal agency obligations, funds that buy federally tax-exempt paper and funds without

			Investment results	
			Latest 12 months	
Portfolio average maturity (days)	Fund/distributor	Date started	total return	return from income dividends
Money market funds specializing in U.S. government paper				
58	Active Assets Govt Secs Trust/Dean Witter	7/81	—	8.6%
28	Alliance Govt Reserves-US Govt/Alliance	7/79	—	8.5
4	AMEV Govt Money Fund[42]/AMEV Investors	10/82	—	8.1
58	Automated Govt Money Trust/Federated	8/82	—	8.9
58	Boston Co Government Money Fund/Boston Co	5/82	—	8.3
28	Alex Brown Cash Reserves-Govt/Brown & Sons	4/82	—	8.8
59	Capital Preservation Fund/Benham	10/72	—	8.8
2	Capital Preservation Fund II/Benham	6/80	—	8.4
43	Cardinal Government Secs Trust/Ohio Company	9/80	—	9.1
26	Carnegie Govt Securities-MM/Carnegie	4/80	—	8.6
32	Cash Equivalent Fund-Govt Secs/Kemper	12/81	—	8.6
46	Centennial Government Trust/Centennial	11/81	—	7.9
60	CMA Government Securities Fund/MLPF&S	8/81	—	9.0
36	Command Government Fund/Pru-Bache	2/82	—	8.7
57	Cortland Trust-US Govt Fund/Cortland	7/85	—	—*
40	Current Interest-US Govt/Criterion	9/82	—	8.7
37	Daily Cash Government Fund/Centennial	3/82	—	8.2

Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. *Fund not in operation for full period. †Most funds are no load. Some funds are offered as part of an integrated financial service account which has a minimum initial investment. ‡Fund has 12b-1 plan pending or in

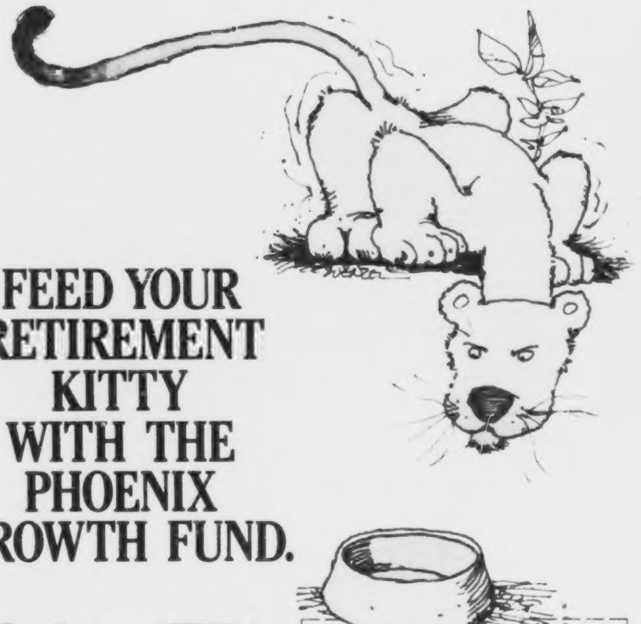
Table of distributors, showing addresses and phone numbers, begins on p. 150.

Total assets		Maximum sales charge	Annual expenses per $100
6/30/85 (millions)	% change '85 vs '84		
$430	—	none	$0.41
287	—	none	0.41
379	108%	none	0.41
412	65	none	0.41
499	44	none	0.41
4	–42	5.00r	2.00‡

restrictions (general money market funds). Short-term municipal bond funds are listed in the municipal bond table beginning on page 131.

Total assets		Minimum initial investment	Annual expenses per $100
6/30/85 (millions)	% change '85 vs '84		
$160	41%	none†	$0.77‡
223	36	$1,000	1.00‡
5	0	1,000	1.00
1,367	93	100,000	0.55‡
25	–42	1,000	0.93
142	82	1,500	0.53‡
1,878	14	1,000	0.79
498	–17	5,000	0.84
404	15	1,000	0.75
170	8	1,000	0.68
481	11	1,000	0.64‡
9	–22	none†	1.15‡
1,855	33	none†	0.53‡
102	19	none†	0.81‡
34	—	1,000	NA‡
67	28	1,000	0.86‡
54	–30	500	0.86‡

force *(see story, p. 82).* ***Performance data: Lipper Analytical Services.* [42]Formerly Prime Government Money Fund. NA: Not available. r: Includes redemption fee that reverts to fund.



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1985 Fund Ratings

Money market funds

Portfolio average maturity (days)	Fund/distributor	Investment results			Total assets		Minimum initial investment	Annual expenses per $100
			Latest 12 months					
		Date started	total return	return from income dividends	6/30/85 (millions)	% change '85 vs '84		
	FORBES government money fund companies			**8.6%**				
	FORBES tax-free money fund composite			**5.3%**				
	FORBES general money fund composite			**8.9%**				
Money market funds specializing in U.S. government paper								
66	**DBL Cash Fund-Govt Securities/Drexel**	3/82	—	8.9%	$ 192	4%	$ 1,000	$0.73‡
59	**Dean Witter/Sears US Govt MM/Dean Witter**	2/82	—	8.9	411	26	1,000	0.99‡
47	**Delaware Treasury Reserves/Delaware**	4/82	—	8.5	52	–8	1,000	0.90
71	**Dreyfus MM Instruments-Govt Securities/Dreyfus**	5/79	—	9.1	1,012	14	2,500	0.64
47	**Equitable MM Account-Govt Securities/Bullock**	2/85	—	—*	5	—	1,000	NA‡
33	**Fidelity MM Trust-US Govt/Fidelity**	5/79	—	9.0	837	24	100,000	0.42
41	**Fidelity MM Trust-US Treasury/Fidelity**	4/81	—	8.8	214	–23	100,000	0.42
37	**Fidelity US Government Reserves/Fidelity**	11/81	—	8.7	366	–4	1,000	0.77
38	**Financial Planners Federal Secs Fund/Steadman**	2/80	—	6.9	5	–31	1,000	2.20‡
25	**First Trust MM Fund-Government/First Trust**	12/82	—	9.0	20	101	none†	0.64‡
40	**First Variable Rate Fund for Govt Income/Calvert**	12/76	—	8.9	619	1	2,000	0.96
1	**Franklin Federal Money Fund/Franklin**	5/80	—	7.9	137	–3	500	0.96
39	**Fund for Govt Investors/Fairmont**	3/75	—	9.0	897	–8	2,500	0.70
24	**GEICO Invest-Govt Securities Cash/GEICO**	2/82	—	8.7	78	–8	1,000	0.74
1	**GIT Cash Trust-Govt Money Market/GIT**	12/82	—	8.3	6	–8	2,000	0.87‡
25	**Government Investors Trust/GIT**	7/79	—	8.7	282	–13	2,000	1.06
42	**Gradison US Government Trust/Gradison**	4/82	—	8.3	25	–2	1,000	1.00‡
50	**High Yield Cash Trust[43]/Federated**	6/82	—	7.4	52	–14	25,000	1.33
22	**Hilliard-Lyons Government Fund/Hilliard**	1/81	—	8.6	112	–1	3,000	0.73
58	**Hutton Government Fund/Hutton**	6/82	—	9.0	1,032	27	10,000	0.71‡
32	**Kemper Govt MM Fund/Kemper**	11/81	—	8.6	91	0	1,000	0.85
36	**Kidder Peabody Govt Money Fund/Kidder**	5/83	—	8.7	136	51	1,500	0.73
3	**Lehman Govt Fund/Lehman**	10/81	—	8.9	458	34	2,500	0.61
86	**Lexington Govt Secs MM Fund/Lexington**	1/82	—	8.5	17	–8	1,000	1.00‡
68	**Liberty US Govt MM Trust/Federated**	8/79	—	8.7	2,732	–11	500	0.88
47	**MAP Government Fund/Mutual Benefit**	1/83	—	8.0	16	73	1,000	0.76
25	**Mass Cash Management-Govt/Mass Financial**	2/82	—	8.5	32	4	1,000	0.71
48	**Merrill Lynch Government Fund/ML Boston**	9/77	—	9.1	1,690	20	5,000	0.42‡
59	**Merrill Lynch USA Govt Reserves/ML Funds**	11/82	—	9.0	221	59	5,000	0.87‡
42	**Midwest Income Trust-Short Term Govt/Leshner**	12/74	—	8.4	147	–2	1,000	0.98‡
31	**Money Management Plus-Government[44]/Calvert**	11/82	—	8.4	6	15	2,000	0.90‡
31	**National Liquid Reserves-Govt/Smith Barney**	5/84	—	8.7	68	79	1,000	0.60
97	**NEL Cash Management Trust-US Govt/NEL**	6/82	—	8.8	42	38	1,000	0.75
47	**Neuberger & Berman Govt Money/Neuberger**	11/83	—	8.6	34	205	2,000	0.75
25	**Oppenheimer US Govt Trust/Oppenheimer Inv**	7/82	—	8.0	8	–4	1,000	1.50‡

Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. *Fund not in operation for full period. †Most funds are no load. Some funds are offered as part of an integrated financial service account which has a minimum initial investment. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82)*. [43]Formerly Government Money Instruments Trust. [44]Formerly Calvert Cash Reserves-US Treasury. NA: Not available.

Table of distributors, showing addresses and phone numbers, begins on p. 150.

Money market funds

Portfolio average maturity (days)	Fund/distributor	Investment results			Total assets		Minimum initial investment	Annual expenses per $100
			Latest 12 months					
		Date started	total return	return from income dividends	6/30/85 (millions)	% change '85 vs '84		
	FORBES government money fund companies			8.6%				
	FORBES tax-free money fund composite			5.3%				
	FORBES general money fund composite			8.9%				
Money market funds specializing in U.S. government paper								
86	Pacific Horizon Funds-Govt/Dreyfus	3/84	—	9.0%	$559	418%	$1,000	$0.60‡
46	PaineWebber RMA-US Govt/Paine Webber	10/82	—	8.7	178	27	none†	0.77
11	Pinnacle Govt-Short Term[45]/Pinnacle	10/80	—	7.7	8	63	1,000	0.80‡
45	T Rowe Price US Treasury Money Fund/Price	6/82	—	8.5	164	–2	1,000	0.94
5	PRO Money Fund-Treasury[46]/PRO	3/82	—	7.5	6	–16	2,000	1.63‡
41	Prudential-Bache Govt Secs-MM/Pru-Bache	1/82	—	8.8	266	24	1,000	0.70‡
1	Renaissance Assets Trust-Govt/First of Mich	7/82	—	9.1	79	248	1,000	0.55‡
1	Reserve CPA-Government/Reserve Partner	10/82	—	8.5	17	–8	1,000	1.00‡
9	Reserve Fund-Government/Reserve Partner	10/81	—	8.5	257	–6	1,000	0.97‡
58	Scudder Government Money Fund/Scudder	11/81	—	8.5	142	8	1,000	0.82
18	Seligman Cash Management-Govt/Seligman	9/82	—	8.4	18	7	1,000	0.78
62	Shearson FMA Govt Fund/Shearson	2/82	—	8.9	280	43	none†	0.73
69	Shearson Government & Agencies/Shearson	10/80	—	9.1	1,448	57	2,500	0.63
52	Short Term Income Fund-Govt/Reich & Tang	11/82	—	8.6	161	2	5,000	0.83‡
12	Sigma Govt Securities Fund/Delfi Capital	9/80	—	8.2	8	–6	500	0.93‡
39	SteinRoe Govt Reserves/Stein Roe	9/82	—	8.1	31	–9	2,500	1.00
41	Strategic Treasury Positions/Strategic	11/81	—	8.2	8	–15	1,000	1.01‡
42	Tucker Anthony Govt Secs Fund/Tucker Anthony	2/82	—	8.6	115	31	2,500	0.82
41	UMB Money Market-Federal/Jones & Babson	11/82	—	8.9	116	30	1,000	0.51
46	United Services-US Treasury Secs[47]/United Svcs	2/82	—	8.8	105	3	500	1.07
84	USAA Mutual-Federal Secs MM/USAA	1/83	—	8.5	32	27	1,000	0.94
45	Vanguard MM Trust-Federal/Vanguard	7/81	—	9.1	495	18	1,000	0.48
29	Vantage Government/Smith Barney	10/82	—	8.6	62	59	20,000	0.67
Tax-free money market funds								
33	Active Assets Tax-Free Trust/Dean Witter	7/81	—	5.5	640	107	none†	0.67‡
56	Alliance Tax-Exempt Reserves/Alliance	1/83	—	5.5	306	127	1,000	0.85‡
57	Babson Tax-Free Income Fund-MM/Jones & Babson	2/81	—	5.3	8	172	1,000	0.99
8	Benham Calif Tax Free Trust-MM/Benham	11/83	—	5.1	91	109	1,000	1.00
16	Benham National Tax-Free-Money Market/Benham	8/84	—	—*	25	—	1,000	NA
66	Boston Co Massachusetts Tax Free/Boston Co	7/83	—	5.2	100	89	1,000	0.55‡
58	Boston Co Tax Free Money/Shearson	8/83	—	5.3	12	10	1,000	0.45
100	Calvert Tax-Free Reserves-MM/Calvert	4/81	—	5.8	284	72	2,000	0.76
22	Cardinal Tax Exempt Money Trust/Ohio Company	9/83	—	5.3	34	48	1,000	0.75‡
22	Carnegie Tax Free Income Trust/Carnegie Fund	8/82	—	5.2	125	107	5,000	0.76

Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. *Fund not in operation for full period. †Most funds are no load. Some funds are offered as part of an integrated financial service account which has a minimum initial investment. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82)*. [45]Formerly Florida Mutual US Govt Secs. [46]Formerly The Money Fund of US Treas Secs. [47]Formerly US Treasury Securities Fund. NA: Not available.

Table of distributors, showing addresses and phone numbers, begins on p. 150.

1985 Fund Ratings

Money market funds

		Investment results						
			Latest 12 months		Total assets			
Portfolio average maturity (days)	Fund/distributor	Date started	total return	return from income dividends	6/30/85 (millions)	% change '85 vs '84	Minimum initial investment	Annual expenses per $100
	FORBES government money fund companies			8.6%				
	FORBES tax-free money fund composite			5.3%				
	FORBES general money fund composite			8.9%				
	Tax-free money market funds							
35	**Centennial Tax Exempt Trust/Centennial**	9/81	—	5.1%	$ 50	–15%	none†	$0.75‡
68	**Cigna Tax-Exempt Cash Fund/Cigna**	10/82	—	5.0	13	22	$5,000	0.50‡
55	**CMA Tax-Exempt Fund/MLPF&S**	1/81	—	5.0	4,709	51	none†	0.46‡
38	**Command Tax-Free Fund/Pru-Bache**	2/82	—	5.5	351	112	none†	0.74‡
86	**Connecticut Daily Tax Free Income/Reich & Tang**	5/85	—	—*	22	—	5,000	NA‡
20	**Cortland Trust-Tax-Free Money Market/Cortland**	6/85	—	—*	39	—	1,000	NA‡
36	**Current Interest Tax Free/Criterion**	5/83	—	4.8	64	39	1,000	0.94‡
32	**Daily Cash Tax Exempt Fund/Centennial**	1/81	—	5.2	132	22	500	0.80‡
31	**Daily Tax Free Income Fund/Reich & Tang**	11/82	—	5.2	922	88	5,000	0.85‡
70	**DBL Tax-Free Cash Fund/Drexel**	4/83	—	5.4	320	127	1,000	0.70‡
41	**Dean Witter/Sears Tax-Free Daily Inc/Dean Witter**	2/81	—	5.5	574	95	5,000	0.74‡
60	**Delaware Tax-Free Money Fund/Delaware**	9/81	—	5.2	52	19	5,000	0.86
71	**Dreyfus General Tax Exempt MM/Dreyfus**	12/83	—	5.4	224	354	2,500	0.93‡
66	**Dreyfus Tax Exempt MM Fund/Dreyfus**	8/80	—	5.4	2,283	31	5,000	0.58
11	**Eaton Vance Tax-Free Reserves/Eaton Vance**	12/82	—	5.2	47	92	1,000	0.60
113	**Empire Tax Free Money Market/Reich & Tang**	5/84	—	5.4	39	NM	5,000	0.47‡
26	**Equitable Tax-Free Account/Bullock**	6/83	—	5.1	8	–55	1,000	0.89‡
48	**Federated Tax-Free Trust/Federated**	3/79	—	5.4	3,453	11	25,000	0.45
43	**Fidelity Massachusetts Tax-Free-MM/Fidelity**	11/83	—	5.0	112	80	2,500	0.76
59	**Fidelity Tax-Exempt MM Trust/Fidelity**	1/80	—	5.6	3,536	44	10,000	0.37
40	**Financial Tax-Free Money Fund/Financial Prog**	10/83	—	5.5	9	188	1,000	0.30
46	**First Investors Tax Exempt MM/First Investors**	6/83	—	6.0	40	58	1,000	0.12‡
44	**First Trust Tax Free Fund/First Trust**	9/83	—	4.8	15	247	none†	0.65‡
35	**Franklin Tax-Exempt Money Fund/Franklin**	2/82	—	5.1	85	36	500	0.85
104	**Fund for Tax-Free Invest-MM/Fairmont**	9/83	—	5.2	24	38	2,500	0.72
43	**GIT Tax-Free Trust-Money Market/GIT**	12/82	—	5.2	17	7	2,000	0.89‡
88	**IDS Tax-Free Money Fund/IDS**	8/80	—	5.3	70	7	2,000	0.71‡
72	**Kidder Peabody Tax Exempt MM/Kidder Peabody**	7/83	—	5.5	479	130	2,500	0.60
60	**Landmark Tax-Free Reserves/Mass Financial**	8/84	—	—*	124	—	none†	0.85‡
41	**Legg Mason Tax Exempt Trust/Legg Mason**	7/83	—	5.3	48	79	5,000	0.65‡
70	**Lehman Tax-Free MM Fund/Lehman**	10/82	—	5.4	390	48	2,500	0.61
37	**Lexington Tax Free Money Fund/Lexington**	10/77	—	5.6	75	32	1,000	0.76‡
67	**Liquid Green Tax-Free Trust/Unified**	1/82	—	4.9	17	180	1,000	0.80‡
91	**Massachusetts Tax-Exempt MM/Mass Financial**	2/84	—	5.2	7	71	none†	0.50
72	**Midwest Group Tax Free-MM/Leshner**	9/81	—	5.7	55	64	2,500	1.02‡
72	**Municipal Cash Reserve Management/Hutton**	5/81	—	5.6	1,550	80	10,000	0.54‡

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Table of distributors, showing addresses and phone numbers, begins on p. 150.

Money market funds

Portfolio average maturity (days)	Fund/distributor	Investment results			Total assets		Minimum initial investment	Annual expenses per $100
		Date started	Latest 12 months total return	Latest 12 months return from income dividends	6/30/85 (millions)	% change '85 vs '84		
	FORBES government money fund companies			8.6%				
	FORBES tax-free money fund composite			5.3%				
	FORBES general money fund composite			8.9%				
	Tax-free money market funds							
22	**Municipal Working Capital Trust[48]/Mass Financial**	3/80	—	4.9%	$12	–4%	$1,000	$1.00
84	**NEL Tax Exempt MM Fund/NEL**	4/83	—	5.1	32	51	1,000	0.34
64	**Neuberger & Berman Tax-Free Money/Neuberger**	12/84	—	—*	88	—	2,000	0.50‡
47	**Nuveen Tax-Exempt MM Fund/Nuveen**	4/81	—	5.6	1,950	40	25,000	0.41
29	**Nuveen Tax-Free Reserves/Nuveen**	11/82	—	5.3	126	54	1,000	0.75‡
58	**Paine Webber RMA Tax-Free/Paine Webber**	10/82	—	5.1	484	75	none†	0.60
43	**Park Ave NY Tax Exempt MM/Dreyfus**	11/84	—	—*	94	—	2,500	0.19‡
35	**Parkway Tax-Free Reserve Fund/Parkway**	3/81	—	5.0	35	11	1,000	1.00‡
82	**T Rowe Price Tax-Exempt Money Fund/Price**	4/81	—	5.6	1,050	34	1,000	0.61
115	**Prudential-Bache Muni-NY MM/Pru-Bache**	4/85	—	—*	11	—	1,000	NA‡
63	**Prudential-Bache Tax-Free Money Fund/Pru-Bache**	8/79	—	5.3	339	129	1,000	0.84‡
57	**Reserve NY Tax-Exempt-NY/Reserve Partner**	11/83	—	5.6	67	396	1,000	0.44‡
58	**Reserve Tax-Exempt-Interstate/Reserve Partner**	11/83	—	6.0	189	361	1,000	0.40‡
62	**Reserve Tax-Exempt-Conn/Reserve Partner**	4/85	—	—*	44	—	1,000	NA‡
27	**LF Rothschild Exempt Fund/Rothschild**	11/83	—	5.1	85	133	2,500	0.76
20	**Safeco Tax-Free Money Market Fund/Safeco**	8/84	—	—*	8	—	2,500	0.79
23	**Scudder Tax-Free Money Fund/Scudder**	1/80	—	5.1	257	18	1,000	0.63
4	**Seligman Calif Tax-Exempt Fund/Seligman**	11/84	—	—*	16	—	1,000	0.32‡
45	**Shearson Daily Tax-Free Dividend/Shearson**	10/82	—	5.3	452	128	5,000	0.65
40	**Shearson FMA Municipal Fund/Shearson**	3/82	—	5.3	538	166	none†	0.63
40	**SeinRoe Tax-Exempt Money Fund/Stein Roe**	3/83	—	5.3	153	8	2,500	0.60
40	**Tax-Exempt MM Fund/Kemper**	7/82	—	5.2	595	111	1,000	0.67‡
29	**Tax-Free Accounts/Nuveen**	12/83	—	5.4	167	40	none†	0.55‡
61	**Tax-Free Cash Reserve-General/Brown & Sons**	3/83	—	5.0	69	62	10,000	0.84‡
69	**Tax-Free Instruments Trust/Federated**	12/82	—	5.3	892	56	500	0.54‡
50	**Tax Free Money Fund/Smith Barney**	4/81	—	5.3	512	76	5,000	0.58
86	**Tucker Anthony Tax-Exempt/Tucker Anthony**	12/82	—	5.3	91	137	2,500	0.64
57	**UMB Tax-Free MM Fund/Jones & Babson**	12/82	—	5.4	35	134	1,000	0.28
89	**USAA Tax Exempt-MM Fund/USAA**	2/84	—	5.6	48	212	10,000	0.89
75	**Value Line Tax Exempt Fund-MM/Value Line**	3/84	—	5.7	18	374	1,000	0.24
77	**Vanguard Muni Bond-MM/Vanguard**	5/80	—	5.7	621	57	3,000	0.41
	General money market funds							
63	**Active Assets Money Trust/Dean Witter**	7/81	—	9.4	2,083	45	none†	0.60‡
46	**Alliance Capital Reserves/Alliance**	7/78	—	8.8	873	7	1,000	1.00‡
22	**American Capital Reserve Fund/American Cap**	7/74	—	8.9	234	–41	1,000	0.88
46	**American Investors Money Fund/American Invest**	8/82	—	9.2	5	150	1,000	0.50
19	**American National MM/Securities Mgmt**	12/81	—	8.9	13	2	2,000	0.74

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Table of distributors, showing addresses and phone numbers, begins on p. 150.

1985 Fund Ratings

Money market funds

Portfolio average maturity (days)	Fund/distributor	Investment results			Total assets		Minimum initial investment	Annual expenses per $100
			Latest 12 months					
		date started	total return	return from income dividends	6/30/85 (millions)	% change '85 vs '84		
	FORBES government money fund companies			8.6%				
	FORBES tax-free money fund composite			5.3%				
	FORBES general money fund composite			8.9%				
General money market funds								
32	**AMEV Money Fund[49]/AMEV Investors**	11/79	—	8.9%	$ 80	–9%	$1,000	$0.89‡
37	**Automated Cash Mgmt Trust/Federated**	5/82	—	9.2	894	78	100,000	0.55‡
20	**Axe-Houghton Money Market Fund/Axe-Houghton**	9/81	—	8.2	23	33	1,000	1.50
31	**Babson Money Market Fund-Prime/Jones & Babson**	3/80	—	8.9	58	–2	1,000	0.83
26	**Birr, Wilson Money Fund/Birr, Wilson**	3/81	—	8.4	53	–1	1,000	1.27
20	**BLC Cash Management Fund/BLC Equity**	2/83	—	8.5	26	6	1,000	0.77
50	**Boston Co Cash Mgmt Fund/Boston Co**	8/79	—	9.1	242	–6	1,000	0.84
34	**Alex Brown Cash Reserve-Prime/Brown & Sons**	8/81	—	9.0	639	6	1,500	0.58‡
27	**RC Brown Market-General[50]/Brown, RC**	6/82	—	8.6	10	–47	100	0.98
11	**Bull & Bear Dollar Reserves/Bull & Bear**	6/80	—	8.7	75	–31	1,000	1.13
38	**Calvert Social Invest Fund-MM/Calvert**	11/82	—	8.9	45	79	1,000	0.75‡
18	**CAM Fund/CAM Fund**	10/81	—	8.5	34	64	none†	1.50‡
18	**Capital Cash Management Trust/STCM**	7/74	—	8.9	95	–18	1,000	0.70‡
27	**Cash Assets Trust/STCM**	11/84	—	—*	72	—*	1,000	0.47‡
37	**Cash Equivalent Fund-MM/Kemper**	3/79	—	8.9	4,755	22	1,000	0.73‡
21	**Cash Management of America/American Funds**	11/76	—	9.1	550	–19	5,000	0.52
64	**Cash Reserve Management/Hutton**	1/77	—	9.5	4,507	6	10,000	0.57‡
39	**Centennial Money Market Trust/Centennial**	11/81	—	8.7	148	–18	none†	1.17‡
48	**Cigna Cash Fund/Cigna**	10/82	—	8.8	30	7	5000	0.79‡
49	**Cigna Money Market Fund/Cigna**	1/75	—	9.0	227	–9	500	0.54‡
56	**CMA Money Fund/ML Pierce**	9/77	—	9.3	17,006	30	none†	0.45‡
25	**Colonial Money Market Trust/Colonial**	1/81	—	9.0	11	–19	1,000	1.07
29	**Columbia Daily Income Company/Columbia**	11/74	—	8.8	444	–3	1,000	0.79‡
44	**Command Money Fund/Pru-Bache**	2/82	—	9.2	1,063	33	none†	0.67‡
28	**Composite Cash Management/Murphey Favre**	11/79	—	8.7	146	–3	1,000	0.98‡
34	**Connecticut Mutual Liquid Account/Conn Mutual**	3/82	—	8.8	80	25	1,000	0.95
24	**Cortland Trust-General Money Market/Cortland**	7/85	—	—*	95	—	1,000	NA‡
25	**Country Capital Money Mkt/Country Capital**	10/81	—	8.5	22	3	1,000	1.06
34	**Current Interest-MM/Criterion**	6/74	—	8.8	841	11	1,000	0.95‡
39	**Daily Cash Accumulation Fund/Centennial**	7/78	—	8.9	2,114	–27	500	0.90‡
62	**Daily Dollar Reserves/Reich & Tang**	6/83	—	9.1	157	56	5,000	0.87‡
52	**Daily Income Fund/Reich & Tang**	7/74	—	9.0	453	–3	5,000	0.76‡
50	**Daiwa Money Fund/Daiwa**	12/81	—	8.9	29	23	2,500	0.94
66	**DBL Cash-Money Market/Drexel**	2/81	—	9.4	1,267	36	1,000	0.64‡
66	**Dean Witter/Sears Liquid Asset/Dean Witter**	9/75	—	9.4	6,516	18	5,000	0.67‡

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Table of distributors, showing addresses and phone numbers, begins on p. 150.

Money market funds

		Investment results						
			Latest 12 months		Total assets			
Portfolio average maturity (days)	Fund/distributor	Date started	total return	return from income dividends	6/30/85 (millions)	% change '85 vs '84	Minimum initial investment	Annual expenses per $100
	FORBES government money fund companies			8.6%				
	FORBES tax-free money fund composite			5.3%				
	FORBES general money fund composite			8.9%				
	General money market funds							
44	Delaware Cash Reserve/Delaware	6/78	—	9.2%	$1,424	–1%	$ 1,000	$0.81
1	Dreyfus Dollar International Fund/Dreyfus	8/83	—	9.4	578	–59	50,000	0.78‡
60	Dreyfus Liquid Assets/Dreyfus	1/74	—	9.3	8,297	6	2,500	0.69
63	Dreyfus MM Instruments Money Market/Dreyfus	4/75	—	9.3	766	–8	50,000	0.63
30	Eaton Vance Cash Mgmt Fund/Eaton Vance	1/75	—	8.9	193	1	1,000	0.71
47	EGT Money Market Trust/Eppler Guerin	4/81	—	8.6	77	0	1,000	1.20
54	Equitable MM Account-General Purpose/Bullock	10/80	—	9.0	238	–7	1,000	0.95‡
49	Fahnestock Daily Income Fund/Reich & Tang	6/81	—	8.9	145	21	1,000	0.86‡
49	FBL Money Market Fund/PFS Management	3/81	—	8.3	28	–14	500	1.34‡
45	Fidelity Cash Reserves/Fidelity	5/79	—	9.0	4,031	–1	1,000	0.86
40	Fidelity Daily Income Trust/Fidelity	5/74	—	9.0	2,499	–7	10,000	0.62
30	Fidelity MM Trust-Domestic/Fidelity	5/79	—	9.2	2,023	51	100,000	0.42
20	Financial Daily Income Shares/Financial Prog	3/76	—	9.1	220	–11	1,000	0.59
34	First American Money Fund/Dougherty	4/82	—	9.0	62	13	1,000	0.52‡
20	First Investors Cash Mgmt Fund/First Investors	10/78	—	8.8	359	0	1,000	0.93‡
36	First Trust MM Fund-General Purpose/First Trust	1/83	—	8.9	26	–8	none†	0.96‡
6	Flex-fund-MM Fund/Flex	3/85	—	—*	118	—	2,500	NA‡
17	Founders Money Market Fund/Founders	7/81	—	8.6	24	–61	1,000	0.90
28	Franklin Money Fund/Franklin	1/76	—	8.8	1,001	8	500	0.93
84	General MM Fund/Dreyfus	2/82	—	9.1	430	102	2,500	1.08‡
20	GIT Cash Trust-Regular MM/GIT	12/82	—	8.4	5	–7	1,000	1.26‡
39	Gradison Cash Reserves Trust/Gradison	5/76	—	8.9	445	7	1,000	0.77‡
27	Guardian Cash Management Trust/Guardian	9/82	—	8.8	20	74	1,000	0.50
41	John Hancock Cash Management Trust/Hancock	10/79	—	8.8	384	0	1,000	1.00
27	Home Life Money Mgmt Fund/Home Life	5/82	—	7.6	7	–5	1,000	0.75
22	Wayne Hummer Money Fund Trust/Hummer	4/82	—	8.6	69	20	1,000	1.00
60	Hutton AMA Cash Fund/Hutton	3/82	—	9.4	1,882	110	10,000	0.61‡
45	Hutton Investment-Short Term Invest/Hutton	1/82	—	9.0	107	–16	500	1.91‡
44	IDS Cash Management Fund/IDS	10/75	—	9.1	897	–4	2,000	0.67‡
42	IDS Strategy Fund-Money Market/IDS	5/84	—	7.5	10	547	2,000	1.32‡
34	Investment Portfolio-MM/Kemper	2/84	—	NA	11	24	250	NA‡
41	ED Jones Daily Passport Cash Trust/Jones & Co	5/80	—	8.8	611	18	1,000	1.03
37	Kemper Money Market Fund/Kemper	11/74	—	9.4	4,768	17	1,000	0.52
31	Keystone Liquid Trust/Keystone	7/75	—	8.6	216	–31	1,000	1.00‡
35	Kidder Peabody Premium Account/Kidder	5/82	—	9.1	418	66	25,000	0.63

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Table of distributors, showing addresses and phone numbers, begins on p. 150.

1985 Fund Ratings

Money market funds

Portfolio average maturity (days)	Fund/distributor	Date started	Investment results Latest 12 months total return	return from income dividends	Total assets 6/30/85 (millions)	% change '85 vs '84	Minimum initial investment	Annual expenses per $100
	FORBES government money fund companies			8.6%				
	FORBES tax-free money fund composite			5.3%				
	FORBES general money fund composite			8.9%				
General money market funds								
50	**Landmark Cash Reserves/Mass Financial**	8/85	—	—*	$152	—	none†	$0.85‡
40	**Legg Mason Cash Reserve Trust/Legg Mason**	10/78	—	8.8%	227	21%	$5,000	0.90
24	**Lehman Cash Mgmt Fund/Lehman**	1/81	—	9.0	890	–1	2,500	0.66
72	**Lexington MM Trust/Lexington**	7/78	—	9.0	216	–6	1,000	0.86‡
27	**Liberty Cash Management Fund/Seligman**	9/82	—	8.4	29	3	1,000	1.33‡
28	**Liquid Capital Income Trust/Carnegie**	11/74	—	7.1	1,222	–6	1,000	0.71
36	**Liquid Green Trust/Unified**	11/80	—	9.0	191	22	1,000	0.91‡
28	**Lord Abbett Cash Reserve Fund/Lord Abbett**	7/79	—	8.8	179	–18	1,000	0.88‡
31	**Managed Cash Account Trust/Mass Financial**	1/82	—	8.7	30	–18	1,000	1.00‡
35	**Mass Cash Management-Prime/Mass Financial**	12/75	—	9.0	655	–14	1,000	0.72
30	**MassMutual Liquid Assets Trust/MML Invest**	8/82	—	8.9	35	20	1,000	0.90‡
45	**McDonald Money Market Fund/McDonald**	5/81	—	8.7	165	17	500	0.87‡
46	**Merrill Lynch Institutional Fund/ML Boston**	12/74	—	9.3	1,439	54	25,000	0.43‡
61	**Merrill Lynch Ready Assets Trust/ML Funds**	2/75	—	9.4	12,395	12	5,000	0.57‡
61	**Merrill Lynch Retirement Reserves MM/ML Funds**	4/82	—	9.1	1,926	55	none†	1.02
40	**Midwest Income Trust-Cash Management/Leshner**	1/82	—	8.8	49	1	1,000	0.97‡
35	**Money Management Plus-Prime[57]/Calvert**	11/82	—	9.0	25	132	2,000	0.90‡
48	**Money Market Instruments Trust/Federated**	3/82	—	8.6	77	–58	500	1.11‡
50	**Money Market Management/Federated**	1/74	—	8.9	254	–3	1,000	0.92
51	**Morgan Keegan Daily Cash Trust/Morgan Keegan**	12/80	—	8.7	81	34	5,000	1.18
46	**Mutual of Omaha Cash Reserves/Mutual of Omaha**	3/81	—	8.9	53	2	none†	0.94‡
36	**Mutual of Omaha MM/Mutual of Omaha**	7/79	—	9.0	268	–2	1,000	0.84
43	**National Cash Reserves/National Secs**	4/82	—	8.7	32	–31	1,000	1.04‡
38	**National Liquid Reserves-Cash/Smith Barney**	8/74	—	9.1	1,397	2	1,000	0.64
46	**Nationwide Money Market Fund/Nationwide**	3/80	—	8.5	465	11	1,000	0.77
58	**NEL Cash Management Trust-MM/NEL**	7/78	—	9.2	821	12	1,000	0.65
33	**Newton Money Fund/Newton**	10/81	—	8.8	13	–7	1,000	1.03‡
39	**Oppenheimer MM/Oppenheimer Inv**	4/74	—	9.0	914	–35	1,000	0.71
18	**Oxford Cash Management Fund/Craigie**	2/83	—	9.0	165	64	1,000	0.66‡
23	**Pacific Horizon Funds-MM/Dreyfus**	3/84	—	9.0	298	170	1,000	0.63‡
38	**PaineWebber CashFund/Paine Webber**	5/78	—	9.1	4,093	1	5,000	0.57
40	**PaineWebber RMA Money Market/Paine Webber**	10/82	—	9.1	1,194	54	none†	0.76
42	**Parkway Cash Fund/Parkway**	11/79	—	8.9	373	–16	1,000	0.98‡
44	**Phoenix MM Fund/Phoenix**	7/80	—	9.0	48	3	1,000	0.86
41	**Plimoney Fund/Tenneco**	3/80	—	8.7	40	–9	1,000	1.04
45	**T Rowe Price Prime Reserve Fund/Price**	3/76	—	9.3	3,127	7	1,000	0.61
24	**Prime Cash Fund/Johnson, Lane**	4/83	—	9.0	136	1	1,000	0.66‡

Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. *Fund not in operation for full period. †Most funds are no load. Some funds are offered as part of an integrated financial service account which has a minimum initial investment. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82)*. [57] Formerly Calvert Cash Reserves-Prime. NA: Not available.

Table of distributors, showing addresses and phone numbers, begins on p. 150.

Money market funds

Portfolio average maturity (days)	Fund/distributor	Investment results			Total assets		Minimum initial investment	Annual expenses per $100
			Latest 12 months					
		Date started	total return	return from income dividends	6/30/85 (millions)	% change '85 vs '84		
	FORBES government money fund companies			8.6%				
	FORBES tax-free money fund composite			5.3%				
	FORBES general money fund composite			8.9%				
General money market funds								
49	**Prudential-Bache MoneyMart Assets[52]/Pru-Bache**	6/76	—	9.3%	$3,324	13%	$1,000	$0.52‡
57	**Putnam Daily Dividend Trust/Putnam**	9/76	—	9.1	270	–2	1,000	0.85
29	**Renaissance Assets Trust-MM/First of Mich**	7/82	—	9.1	136	147	1,000	0.63‡
1	**Reserve CPA-Primary/Reserve Partner**	9/83	—	8.7	10	0	1,000	1.00‡
48	**Reserve Fund-Primary/Reserve Partner**	11/71	—	8.9	1,560	–8	1,000	0.91‡
42	**LF Rothschild Earnings & Liquidity/Rothschild**	4/82	—	8.9	336	7	2,500	0.73
25	**RPF of America-MM Fund/Venture**	9/76	—	8.1	13	49	1,000	1.23‡
25	**Safeco Money Market Mutual Fund/Safeco**	4/82	—	9.2	36	6	1,000	0.93
40	**Scudder Cash Investment Trust/Scudder**	7/76	—	8.9	1,027	4	1,000	0.66
15	**Security Cash Fund/Security**	10/80	—	8.1	47	–34	1,000	1.00
35	**Selected Money Market-General/Prescott, Ball**	10/77	—	8.5	22	–18	1,000	1.27
28	**Seligman Cash Magement-Prime/Seligman**	1/77	—	8.8	342	–21	1,000	0.94
37	**Sentinel Cash Management Fund/Equity Services**	10/81	—	8.9	39	10	1,000	0.75
25	**Sentry Cash Management Fund/Sentry**	6/81	—	8.8	27	–9	1,000	0.94
44	**Shearson Daily Dividend/Shearson**	6/79	—	9.0	3,507	–2	2,500	0.70
46	**Shearson FMA Cash Fund/Shearson**	2/82	—	9.0	1,123	71	15,000	0.70
21	**Short Term Assets Reserve/Moseley**	12/84	—	—*	74	—	1,000	0.61‡
50	**Short Term Income Fund-MM/Reich & Tang**	1/80	—	8.9	353	39	5,000	0.86‡
23	**Short-Term Yield Secs/AIM Distributor**	5/78	—	8.4	14	–20	1,250	1.00
14	**Sigma Money Market Fund/Delfi Capital**	9/80	—	8.6	7	–54	500	1.00‡
39	**Standby Reserve Fund/Cowen**	11/81	—	9.2	273	24	2,000	0.76
15	**State Bond Cash Management Fund/State Bond**	2/82	—	8.3	4	–3	1,000	1.00‡
34	**SteinRoe Cash Reserves/Stein Roe**	10/76	—	9.0	759	–19	2,500	0.72
60	**Summit Cash Reserves Fund/ML Funds**	12/82	—	9.0	495	19	5,000	0.78‡
12	**Sutro MM Fund/Sutro**	2/82	—	8.6	110	20	2,000	1.20
36	**Transamerica Cash Reserve/Transamerica**	8/80	—	9.3	239	–36	500	0.50
16	**Trinity Liquid Assets Trust/Russell**	1/83	—	9.1	275	0	1,000	0.60‡
44	**Trust for Cash Reserves/Milwaukee Co**	2/80	—	8.7	150	3	1,000	1.05
45	**Tucker Anthony Cash Mgmt Fund/Tucker Anthony**	4/81	—	8.9	470	41	2,500	0.64
15	**20th Century Cash Reserve/20th Century**	3/85	—	—*	12	—	none†	1.01
33	**UMB Money Market-Prime/Jones & Babson**	11/82	—	9.1	80	65	1,000	0.53
45	**United Cash Management/Waddell & Reed**	8/79	—	8.9	323	–7	1,000	1.06‡
35	**USAA Mutual-MM Fund/USAA**	2/81	—	9.1	259	14	1,000	0.73
48	**Value Line Cash Fund/Value Line**	4/79	—	9.1	454	–16	1,000	0.82
27	**Vanguard MM Trust-Insured/Vanguard**	2/83	—	8.6	54	75	1,000	0.90
41	**Vanguard MM Trust-Prime/Vanguard**	6/75	—	9.4	166	–87	1,000	0.48
42	**Vantage Money Market-Cash/Smith Barney**	10/82	—	9.1	290	77	none†	0.66
37	**Webster Cash Reserve/Kidder**	8/79	—	9.1	1,371	21	1,500	0.67
44	**Working Assets Money Fund/Working Assets**	8/83	—	8.3	63	200	1,000	1.10‡

Funds are added to this guide when they exceed $5 million in net assets and deleted when they drop below $2 million. *Fund not in operation for full period. †Most funds are no load. Some funds are offered as part of an integrated financial service account which has a minimum initial investment. ‡Fund has 12b-1 plan pending or in force *(see story, p. 82).* [52]Formerly MoneyMart Assets.

Table of distributors, showing addresses and phone numbers, begins on p. 150.

1985 Fund Ratings

Fund distributors

Funds are listed here by distributor, the organization that markets shares of the fund and provides prospectuses. Many funds don't have a separate distributing arm. They are listed here under the name of the fund itself. Exchange privilege is marked "yes" if there is some provision for switching among funds. In some cases, the exchange is with either a fund too small to be listed or a fund belonging to a different distributor.

Illustrations by Patrick McDonnell

Fund distributor	Type of fund
Accrued Equities 295 Northern Boulevard Great Neck, NY 11021 516-466-0808* (local) Exchange privilege: No	
New Alternatives Fund	stock
Acorn Fund 120 South LaSalle Street Chicago, IL 60603 312-621-0630* (local) Exchange privilege: Yes	
Acorn Fund	stock
AFA Distributors 50 Broad Street New York, NY 10004 212-482-8100* (local) Exchange privilege: Yes	
National Aviation & Technology	stock
National Telecommunications & Technology Fund	stock
Afuture Fund Legal Arts Building Front & Lemon Streets Media, PA 19063 215-565-3131* (local) 800-523-7594 (out of state) Exchange privilege: No	
Afuture Fund	stock
AIM Distributors 11 Greenway Plaza Suite 1919 Houston, TX 77046 713-626-1919 (local) 800-231-0803 (out of state) Exchange privilege: Yes	
Convertible Yield Securities	balanced
Greenway Fund	stock
High Yield Securities	bond & preferred
Short-Term Yield Secs	money market
Summit Investor's	stock
AIM Management 107 North Adams Street Rockville, MD 20850 301-251-1002* (local) 800-638-2042 (out of state) Exchange privilege: Yes	
Dividend/Growth-Dividend Series	stock

Fund distributor	Type of fund
Alliance Fund Distributors 140 Broadway New York, NY 10015 800-522-2323 (local) 800-221-5672 (out of state) Exchange privilege: Yes	
Alliance Bond Fund-High Grade	bond & preferred
Alliance Bond Fund-High Yield	bond & preferred
Alliance Capital Reserves	money market
Alliance Govt Reserves-US Govt	money market
Alliance International Fund	foreign
Alliance Mortgage Secs Income Fund	bond & preferred
Alliance Tax-Exempt Reserves	money market
Alliance Technology Fund	stock
Chemical Fund	stock
de Vegh Mutual Fund	stock
Neuwirth Fund	stock
Pine Street Fund	stock
Quasar Associates	stock
Surveyor Fund	stock
Alpha Research 2 Piedmont Center Suite 500 Atlanta, GA 30363 404-262-3480 (local) 800-241-1662 (out of state) Exchange privilege: Yes	
Alpha Fund	stock
American Capital Marketing 2800 Post Oak Boulevard Houston, TX 77056 713-993-0500* (local) 800-231-3638 (out of state) Exchange privilege: Yes	
American Capital Comstock Fund	stock
American Capital Corp Bond Fund	bond & preferred
American Capital Enterprise Fund	stock
American Capital Government Secs	bond & preferred
American Capital Harbor Fund	balanced
American Capital High Yield Investment	bond & preferred
American Capital Muni Bond Fund	municipal bond
American Capital OTC Secs	stock
American Capital Pace Fund	stock
American Capital Reserve Fund	money market
American Capital Venture Fund	stock
Fund of America	stock
Provident Fund for Income	balanced

*Will accept collect calls.

Fund distributor	Type of fund
American Funds Distributors 333 South Hope Street Los Angeles, CA 90071 213-486-9651 (local) 800-421-9900 (out of state) Exchange privilege: Yes	
AMCAP Fund	stock
American Balanced Fund	balanced
American Mutual Fund	stock
Bond Fund of America	bond & preferred
Cash Management Trust of America	money market
EuroPacific Growth Fund	foreign
Fundamental Investors	stock
Growth Fund of America	stock
Income Fund of America	stock
Investment Company of America	stock
New Economy Fund	stock
New Perspective Fund	stock
Tax-Exempt Bond Fund of America	municipal bond
Washington Mutual Investors Fund	stock
American Growth Fund Sponsors 650 17th Street Suite 800 Denver, CO 80202 303-623-6137* (local) 800-525-2406 (out of state) Exchange privilege: Yes	
American Growth Fund	stock
American Investors PO Box 2500 Greenwich, CT 06836 203-531-5000 (local) 800-243-5353 (out of state) Exchange privilege: Yes	
American Investors Fund	stock
American Investors Income Fund	bond & preferred
American Investors Money Fund	money market
AMEV Investors PO Box 64284 St Paul, MN 55125 612-738-4000* (local) 800-328-1064 (out of state) Exchange privilege: Yes	
AMEV Capital Fund	stock
AMEV Fiduciary Fund	stock
AMEV Govt Money Fund	money market
AMEV Growth Fund	stock
AMEV Money Fund	money market
AMEV US Govt Secs Fund	bond & preferred
Analytic Optioned Equity Fund 2222 Martin Street Suite 230 Irvine, CA 92715 714-833-0294* (local) Exchange privilege: No	
Analytic Optioned Equity Fund	stock
Angeles/Quinoco Securities 10301 West Pico Boulevard Los Angeles, CA 90064 213-277-4900 (local) 800-421-4374 (out of state) Exchange privilege: No	
FPA Capital Fund	stock
FPA New Income Fund	bond & preferred
FPA Paramount Fund	stock
FPA Perennial Fund	stock

Fund distributor	Type of fund
Armstrong Associates 311 North Market Street Dallas, TX 75202 214-744-5558 (local) Exchange privilege: No	
Armstrong Associates	stock
Axe-Houghton Securities 400 Benedict Avenue Tarrytown, NY 10591 914-631-8131* (local) 800-431-1030 (out of state) Exchange privilege: Yes	
Axe-Houghton Fund B	balanced
Axe-Houghton Income Fund	bond & preferred
Axe-Houghton Money Market Fund	money market
Axe-Houghton Stock Fund	stock
Bailard, Biehl & Kaiser International Fund 951 Mariner's Island Boulevard Suite 700 San Mateo, CA 94404 415-571-5800 (local) Exchange privilege: No	
Bailard, Biehl & Kaiser International	foreign
Beacon Hill Mutual Fund 75 Federal Street Boston, MA 02110 617-482-0795 (local) Exchange privilege: No	
Beacon Hill Mutual Fund	stock
Benham Capital Management 755 Page Mill Road Palo Alto, CA 94304 415-858-2400 (local) 800-227-8380 (out of state) Exchange privilege: Yes	
Benham Calif Tax-Free Trust-Intermediate	municipal bond
Benham Calif Tax-Free Trust-Long-Term	municipal bond
Benham Calif Tax-Free Trust-MM	money market
Benham National Tax-Free-Long Term	municipal bond
Benham National Tax-Free-Money Market	money market
Capital Preservation Fund	money market
Capital Preservation Fund II	money market
Capital Preservation Treasury Note	bond & preferred
Berger Associates 899 Logan Street Suite 211 Denver, CO 80203 303-837-1020 (local) Exchange privilege: Yes	
One Hundred Fund	stock
Birr, Wilson & Co 155 Sansome Street San Francisco, CA 94104 415-983-7700 (local) Exchange privilege: No	
Birr, Wilson Money Fund	money market

*Will accept collect calls.

1985 Fund Ratings

Fund distributor	Type of fund
BLC Equity Services Corp 711 High Street Des Moines, IA 50307 515-247-5711 (local) Exchange privilege: Yes	
BLC Cash Mgmt Fund	money market
BLC Growth Fund	stock
BLC Income Fund	stock
Boston Co Capital Group One Boston Place Boston, MA 02108 617-956-9740 (local) 800-343-6324 (out of state) Exchange privilege: Yes	
Boston Co Capital Appreciation Fund	stock
Boston Co Cash Mgmt Fund	money market
Boston Co Government Money Fund	money market
Boston Co Managed Income Fund	bond & preferred
Boston Co Massachusetts Tax Free	money market
Boston Co Special Growth Fund	stock
Boston Co Tax Free Money	money market
Boston Mutual Sales Corp 120 Royall Street Canton, MA 02021 617-828-7000 (local) Exchange privilege: No	
Boston Mutual Fund	stock
Bradford Trust Co of Boston PO Box 712 Boston, MA 02102 617-956-1400 (local) Exchange privilege: No	
P-C Capital Fund	stock
Bridges Investment Fund 256 Durham Plaza 8401 West Dodge Road Omaha, NE 68114 402-397-4700 (local) Exchange privilege: No	
Bridges Investment Fund	stock
Alex Brown & Sons 135 East Baltimore Street Baltimore, MD 21202 301-727-1700 (local) Exchange privilege: Yes	
Alex Brown Cash Reserve-Govt	money market
Alex Brown Cash Reserve-Prime	money market
Flag Investors-Telephone Income Shares	stock
Tax-Free Cash Reserve-General	money market
RC Brown Money Market Fund 655 Montgomery Street San Francisco, CA 94111 415-981-4050 (local) 800-722-6696 (out of state) Exchange privilege: No	
RC Brown Money Market Fund-General	money market
Bull & Bear Group 11 Hanover Square New York, NY 10005 212-785-0900 (local) 800-431-6060 (out of state) Exchange privilege: Yes	
Bull & Bear Capital Growth Fund	stock
Bull & Bear Dollar Reserves	money market
Bull & Bear Equity-Income Fund	stock
Bull & Bear High Yield Fund	bond & preferred
Bull & Bear Tax-Free Income Fund	municipal bond
Golconda Investors	stock
Calvin Bullock 40 Rector Street New York, NY 10006 212-513-4466 (local) 800-221-5757 (out of state) Exchange privilege: Yes	
Bullock Aggressive Growth Shares	stock
Bullock Balanced Shares	balanced
Bullock Dividend Shares	stock
Bullock Growth Shares	stock
Bullock High Income Shares	bond & preferred
Bullock Monthly Income Shares	bond & preferred
Bullock Tax-Free Shares	municipal bond
Bullock US Government Income Shares	bond & preferred
Canadian Fund	foreign
Equitable MM Account-General Purpose	money market
Equitable MM Account-Govt Securities	money market
Equitable Tax-Free Account	money market
Calvert Group 1700 Pennsylvania Avenue NW Washington, DC 20006 301-951-4820* (in Maryland) 800-368-2747 (out of state) Exchange privilege: Yes	
Calvert Fund-Equity	stock
Calvert Fund-Income	bond & preferred
Calvert Social Investment-Managed Growth	balanced
Calvert Social Investment-MM	money market
Calvert Tax Free Reserves-Limited	municipal bond
Calvert Tax Free Reserves-Long Term	municipal bond
Calvert Tax Free Reserves-MM	money market
First Variable Rate Fund for Govt Income	money market
Money Management Plus-Government	money market
Money Management Plus-Prime	money market
CAM Fund PO Box 1985 Valley Forge, PA 19481 800-362-7400 (local) 800-423-2345 (out of state) Exchange privilege: No	
CAM Fund	money market
Carnegie Fund Distributors 1331 Euclid Avenue Cleveland, OH 44115 216-781-4440* (local) 800-321-2322 (out of state) Exchange privilege: Yes	
Carnegie Govt Secs Trust-Intermediate	bond & preferred
Carnegie Govt Secs Trust-Money Market	money market
Carnegie Tax Free Income Trust	money market
Carnegie-Cappiello Growth Trust	stock
Liquid Capital Income Trust	money market

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*Will accept collect calls

Fund distributor	Type of fund
Centennial Capital Corp 3410 South Galena Street Denver, CO 80231 303-671-3200 (local) 800-525-9310 (out of state) Exchange privilege: Yes	
Centennial Government Trust	money market
Centennial Money Market Trust	money market
Centennial Tax Exempt Trust	money market
Daily Cash Accumulation Fund	money market
Daily Cash Government Fund	money market
Daily Cash Tax Exempt Fund	money market
Century Shares Trust 1 Liberty Square Boston, MA 02109 617-482-3060* (local) 800-321-1928 (out of state) Exchange privilege: No	
Century Shares Trust	stock
Charter Fund 1850 Two Lincoln Centre 5420 LBJ Freeway/LB #66 Dallas, TX 75240 214-980-1800* (local) Exchange privilege: No	
Charter Fund	stock
Cigna Securities Hartford, CT 06152 203-726-6000 (local) 800-225-5151 (out of state) Exchange privilege: Yes	
Cigna Aggressive Growth Fund	stock
Cigna Cash Fund	money market
Cigna Growth Fund	stock
Cigna High Yield Fund	bond & preferred
Cigna Income Fund	balanced
Cigna Money Market Fund	money market
Cigna Municipal Bond Fund	municipal bond
Cigna Tax-Exempt Cash Fund	money market
Cigna Value Fund	stock
Colonial Investment Services 75 Federal Street Boston, MA 02110 617-426-3750 (local) 800-225-2365 (out of state) Exchange privilege: Yes	
Colonial Capital Appreciation Trust	stock
Colonial Corporate Cash Trust I	stock
Colonial Corporate Cash Trust II	stock
Colonial Enhanced Mortgage Trust	bond & preferred
Colonial Fund	balanced
Colonial Government Securities Plus Trust	bond & preferred
Colonial Growth Shares	stock
Colonial High Yield Securities	bond & preferred
Colonial Income Fund	bond & preferred
Colonial Money Market Trust	money market
Colonial Option Income-Portfolio I	stock
Colonial Option Income-Portfolio II	stock
Colonial Tax-Exempt High Yield Trust	municipal bond

Fund distributor	Type of fund
Columbia Management Co 1301 SW 5th Avenue PO Box 1350 Portland, OR 97207 503-222-3600* (local) 800-547-1037 (out of state) Exchange privilege: Yes	
Columbia Daily Income Company	money market
Columbia Fixed Income Secs Fund	bond & preferred
Columbia Growth Fund	stock
Columbia Municipal Bond Fund	municipal bond
Connecticut Mutual Financial Services 140 Garden Street Hartford, CT 06154 203-244-4957* (local) 800-243-0064 (out of state) Exchange privilege: No	
Connecticut Mutual Liquid Account	money market
Copley Financial Services Corp 109 Howe Street Fall River, MA 02724 617-674-8459 (local) Exchange privilege: No	
Copley Tax Managed Fund	stock
Cortland Distributors 315 State Street Hackensack, NJ 07601 201-342-6066 (local) 800-524-1566 (out of state) Exchange privilege: Yes	
Cortland Trust-General Money Market	money market
Cortland Trust-Tax-Free Money Market	money market
Cortland Trust-US Govt Fund	money market
Country Capital Management Co PO Box 2222 Bloomington, IL 61701 309-557-2444 (local) Exchange privilege: Yes	
Country Capital Growth Fund	stock
Country Capital Income Fund	balance
Country Capital Money Market Fund	money market
Country Capital Tax Exempt Bond	municipal bond
Cowen & Co One Battery Park Plaza New York, NY 10004 212-483-0700 (local) Exchange privilege: No	
Standby Reserve Fund	money market
Craig-Hallum 133 South 7th Street Minneapolis, MN 55402 612-332-1212 (local) Exchange privilege: No	
General Securities	stock
Craigie 814 East Main Street Richmond, VA 23219 804-649-3900 (local) 800-446-3819 (out of state) Exchange privilege: No	
Oxford Cash Management Fund	money market

*Will accept collect calls

1985 Fund Ratings

Fund distributor	Type of fund
Criterion Distributors 333 Clay Street Suite 4300 Houston, TX 77002 713-751-2400 (local) Exchange privilege: Yes	
Commerce Income Shares	balanced
Criterion Bond-Investment Quality	bond & preferred
Criterion Bond-US Govt High Yield	bond & preferred
Current Interest-MM	money market
Current Interest-Tax Free	money market
Current Interest-US Govt	money market
Lowry Market Timing Fund	stock
Pilot Fund	stock
Quality Tax Free Bond	municipal bond
Sunbelt Growth Fund	stock
Daiwa Securities America One Liberty Plaza New York, NY 10006 212-732-6600 (local) Exchange privilege: No	
Daiwa Money Fund	money market
Dean Witter Reynolds 1 World Trade Center New York, NY 10048 212-938-4554* (local) 800-221-2685 (out of state) Exchange privilege: Yes	
Active Assets Govt Secs Trust	money market
Active Assets Money Trust	money market
Active Assets Tax-Free Trust	money market
Dean Witter California Tax-Free Income	municipal bond
Dean Witter Developing Growth Secs	stock
Dean Witter Dividend Growth Secs	stock
Dean Witter High Yield Secs	bond & preferred
Dean Witter Industry-Valued Secs	stock
Dean Witter Natural Resource Development	stock
Dean Witter NY Tax-Free Income Fund	municipal bond
Dean Witter Option Income Trust	stock
Dean Witter Tax-Exempt Secs	municipal bond
Dean Witter US Govt Secs Trust	bond & preferred
Dean Witter World Wide Investment Trust	foreign
Dean Witter/Sears Liquid Asset	money market
Dean Witter/Sears Tax-Free Daily Income	money market
Dean Witter/Sears US Govt MM Trust	money market
Delaware Distributors 10 Penn Center Plaza Philadelphia, PA 19103 215-988-1333* (local) 800-523-4640 (out of state) Exchange privilege: Yes	
Decatur Income Fund	stock
Delaware Cash Reserve	money market
Delaware Fund	stock
Delaware Tax-Free Money Fund	money market
Delaware Treasury Reserves	money market
Delchester Bond Fund	bond & preferred
Delta Trend Fund	stock
DMC Tax-Free Income Trust-PA	municipal bond
DMC Tax-Free Income-USA	municipal bond

Fund distributor	Type of fund
Delfi Capital Sales Greenville Center C-200 Wilmington, DE 19802 302-652-3091* (local) 800-441-9490 (out of state) Exchange privilege: Yes	
Sigma Capital Shares	stock
Sigma Government Securities Fund	money market
Sigma Income Shares	bond & preferred
Sigma Investment Shares	stock
Sigma Money Market Fund	money market
Sigma Special Fund	stock
Sigma Tax-Free Bond Fund	municipal bond
Sigma Trust Shares	balanced
Sigma Venture Shares	stock
Diversified Securities PO Box 357 Long Beach, CA 90801 213-595-7711 (local) Exchange privilege: No	
Investors Research Fund	stock
Dodge & Cox 1 Post Street 35th Floor San Francisco, CA 94104 415-981-1710 (local) Exchange privilege: Yes	
Dodge & Cox Balanced Fund	balanced
Dodge & Cox Stock Fund	stock
Dougherty, Dawkins, Strand & Yost 700 Lumber Exchange Building Minneapolis, MN 55401 800-652-0204 (local) 800-328-6020 (out of state) Exchange privilege: No	
First American Money Fund	money market
Drexel Burnham Lambert 60 Broad Street New York, NY 10004 212-480-4155* (local) 800-272-2700 (out of state) Exchange privilege: Yes	
DBL Cash Fund-Govt Secs	money market
DBL Cash Fund-Money Market	money market
DBL Tax-Free Cash Fund-MM	money market
DBL Tax-Free Cash Fund-Ltd Term	municipal bond
Drexel Burnham Fund	stock
Drexel Series Trust-Government Secs	bond & preferred
Drexel Series Trust-Option Income	stock

*Will accept collect calls.

Fund distributor	Type of fund
Dreyfus Service Corp 600 Madison Avenue New York, NY 10022 718-895-1206 (local) 800-645-6561 (out of state) Exchange privilege: Yes	
Dreyfus A Bonds Plus	bond & preferred
Dreyfus California Tax Exempt Bond	municipal bond
Dreyfus Dollar International Fund	money market
Dreyfus Fund	stock
Dreyfus General Tax Exempt Bond Fund	municipal bond
Dreyfus General Tax Exempt Money Market	money market
Dreyfus Growth Opportunity Fund	stock
Dreyfus Intermediate Tax Exempt Bond	municipal bond
Dreyfus Leverage Fund	stock
Dreyfus Liquid Assets	money market
Dreyfus MM Instruments-Govt Secs	money market
Dreyfus MM Instruments-Money Market	money market
Dreyfus NY Tax Exempt Bond Fund	municipal bond
Dreyfus Special Income Fund	balanced
Dreyfus Tax Exempt Bond Fund	municipal bond
Dreyfus Tax Exempt MM Fund	money market
Dreyfus Third Century Fund	stock
General MM Fund	money market
Pacific Horizon Funds-Govt	money market
Pacific Horizon Funds-MM	money market
Park Ave NY Tax Exempt Intermed Bond	municipal bond
Park Ave NY Tax Exempt MM	money market
Eaton Vance Distributors 24 Federal Street Boston, MA 02110 617-482-8260 (local) 800-225-6265 (out of state) Exchange privilege: Yes	
Eaton & Howard Stock Fund	stock
Eaton Vance Cash Mgmt Fund	money market
Eaton Vance Govt Obligations Trust	bond & preferred
Eaton Vance Growth Fund	stock
Eaton Vance High Yield	balanced
Eaton Vance Income Fund of Boston	balanced
Eaton Vance Investors Fund	balanced
Eaton Vance Muni Bond Fund	municipal bond
Eaton Vance Special Equities Fund	stock
Eaton Vance Tax Free Reserves	money market
Eaton Vance Tax-Managed Trust	stock
Leverage Fund of Boston	stock
Nautilus Fund	stock
Vance, Sanders Special Fund	stock

Fund distributor	Type of fund
Eppler, Guerin & Turner PO Box 508 Dallas, TX 75221 214-880-9000 (local) Exchange privilege: No	
EGT Money Market Trust	money market
Equity Services National Life Drive Montpelier, VT 05604 802-229-3139 (local) 800-233-4332 (out of state) Exchange privilege: Yes	
Sentinel Balanced Fund	balanced
Sentinel Bond Fund	bond & preferred
Sentinel Cash Management Fund	money market
Sentinel Common Stock Fund	stock
Sentinel Growth Fund	stock
Fairmont Securities 4922 Fairmont Avenue Bethesda, MD 20814 301-657-1500* (local) Exchange privilege: Yes	
Fund for Govt Investors	money market
Fund for Tax-Free Invest-MM	money market
Federated Securities Corp 421 Seventh Avenue Pittsburgh, PA 15219 412-288-1900* (local) 800-245-2423 (out of state) Exchange privilege: Yes	
American Leaders Fund	stock
Automated Cash Mgmt Trust	money market
Automated Govt Money Trust	money market
Federated GNMA Trust	bond & preferred
Federated Growth Trust	stock
Federated High Income Secs Fund	bond & preferred
Federated Income Trust	bond & preferred
Federated Intermediate Govt Trust	bond & preferred
Federated Short-Intermediate Govt Trust	bond & preferred
Federated Stock & Bond Fund	balanced
Federated Stock Trust	stock
Federated Tax-Free Income Fund	municipal bond
Federated Tax-Free Trust	money market
FT International	foreign
Fund for US Govt Securities	bond & preferred
High Yield Cash Trust	money market
Liberty US Govt Money Market Trust	money market
Money Market Instruments Trust	money market
Money Market Management	money market
Tax-Free Instruments Trust	money market

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*Will accept collect calls.

MUTUAL FUNDS
WAREHOUSE

1985 Fund Ratings

Fund distributor	Type of fund
Fidelity Distributors Corp 82 Devonshire Street Boston, MA 02109 617-523-1919* (local) 800-544-6666 (out of state) Exchange privilege: Yes	
Fidelity CalFree-Muni Bond	municipal bond
Fidelity CalFree-Short Term	municipal bond
Fidelity Cash Reserves	money market
Fidelity Contrafund	stock
Fidelity Corporate Bond Fund	bond & preferred
Fidelity Daily Income Trust	money market
Fidelity Destiny Fund	stock
Fidelity Discoverer Fund	stock
Fidelity Equity-Income Fund	stock
Fidelity Freedom Fund	stock
Fidelity Fund	stock
Fidelity Government Securities Fund	bond & preferred
Fidelity High Income Fund	bond & preferred
Fidelity High Yield Municipals	municipal bond
Fidelity Limited-Term Municipals	municipal bond
Fidelity Magellan Fund	stock
Fidelity Mass Tax-Free-MM	money market
Fidelity Mass Tax-Free-Muni Bond	municipal bond
Fidelity Mercury Fund	stock
Fidelity MM Trust-Domestic	money market
Fidelity MM Trust-US Govt	money market
Fidelity MM Trust-US Treasury	money market
Fidelity Mortgage Secs Fund	bond & preferred
Fidelity Municipal Bond Fund	municipal bond
Fidelity NY Tax-Free-Muni Bond	municipal bond
Fidelity NY Tax-Free-Short Term	municipal bond
Fidelity OTC Portfolio	stock
Fidelity Overseas Fund	stock
Fidelity Puritan Fund	stock
Fidelity Select-Defense & Aerospace	stock
Fidelity Select-Energy	stock
Fidelity Select-Financial Services	stock
Fidelity Select-Health Care	stock
Fidelity Select-Leisure	stock
Fidelity Select-Precious Metals & Minerals	stock
Fidelity Select-Technology	stock
Fidelity Select-Utilities	stock
Fidelity Special Situations Fund	stock
Fidelity Tax-Exempt MM Trust	money market
Fidelity Thrift Trust	bond & preferred
Fidelity Trend Fund	stock
Fidelity US Government Reserves	money market
Fiduciary Management 222 East Mason Street Milwaukee, WI 53202 414-271-6666 (local) Exchange privilege: No	
Fiduciary Capital Growth Fund	stock
Financial Programs PO Box 2040 Englewood, CO 80201 800-525-9769* (local) 800-525-8085 (out of state) Exchange privilege: Yes	
Financial Bond Shares-High Yield	bond & preferred
Financial Bond Shares-Select Income	bond & preferred
Financial Daily Income Shares	money market
Financial Dynamics	stock
Financial Industrial Fund	stock
Financial Industrial Income Fund	stock
Financial Tax-Free Income Shares	municipal bond
Financial Tax-Free Money Fund	money market
World of Technology	stock

Fund distributor	Type of fund
Finomic Investment Fund 1100 Louisiana Suite 2600 Houston, TX 77002 713-659-2611* (local) Exchange privilege: No	
Finomic Investment Fund	stock
First Investors Management Co 120 Wall Street New York, NY 10005 212-208-6000 (local) 800-223-6300 (out of state) Exchange privilege: Yes	
First Investors Bond Appreciation	bond & preferred
First Investors Cash Mgmt Fund	money market
First Investors Discovery Fund	stock
First Investors Fund for Growth	stock
First Investors Fund for Income	bond & preferred
First Investors Government Fund	bond & preferred
First Investors International Secs	foreign
First Investors Natural Resources	stock
First Investors New York Tax Free	municipal bond
First Investors Ninety-Ten Fund	stock
First Investors Option Fund	stock
First Investors Tax Exempt Fund	municipal bond
First Investors Tax Exempt MM	money market
First of Michigan 100 Renaissance Center Detroit, MI 48243 313-259-2600 (local) 800-521-1264 (out of state) Exchange privilege: Yes	
Renaissance Assets Trust-Government	money market
Renaissance Assets Trust-MM	money market
First Trust Funds 110 North Franklin Street Chicago, IL 60606 312-781-9490 (local) 800-621-4770 (out of state) Exchange privilege: Yes	
First Trust MM Fund-General Purpose	money market
First Trust MM Fund-Government	money market
First Trust Tax Free Fund	money market
Flex-fund 6000 Memorial Drive Dublin, OH 43017 614-766-7000* (local) 800-325-3539 (out of state) Exchange privilege: Yes	
Flex-fund-Capital Gains Fund	stock
Flex-fund-MM Fund	money market
Flex-fund-Retirement Growth	stock
Florida Mutual Funds Group 7301 West Palmetto Park Road Suite C-105 Boca Raton, FL 33433 305-392-2667* (local) 800-432-1592 (out of state) Exchange privilege: No	
Pinnacle Govt Secs Short Term	money market

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Fund distributor	Type of fund
44 Securities 1 State Street Plaza New York, NY 10004 212-344-4224 (local) 800-221-7836 (out of state) Exchange privilege: Yes	
44 Wall Street Equity Fund	stock
44 Wall Street Fund	stock
Founders Mutual Depositor Corp 3033 East First Avenue Suite 810 Denver, CO 80206 800-874-6301 (local) 800-525-2440 (out of state) Exchange privilege: Yes	
Founders Growth Fund	stock
Founders Income Fund	stock
Founders Money Market Fund	money market
Founders Mutual Fund	stock
Founders Special Fund	stock
Franklin Distributors 155 Bovet Road San Mateo, CA 94402 800-227-6781 (local) 800-632-2180 (out of state) Exchange privilege: Yes	
Age High Income Fund	bond & preferred
Franklin California Tax-Free Income	municipal bond
Franklin Custodian-Dynatech	stock
Franklin Custodian-Growth	stock
Franklin Custodian-Income	balanced
Franklin Custodian-US Govt	bond & preferred
Franklin Custodian-Utilities	stock
Franklin Equity Fund	stock
Franklin Federal Money Fund	money market
Franklin Federal Tax-Free Income	municipal bond
Franklin Gold Fund	stock
Franklin Michigan Insured Tax-Free Income	municipal bond
Franklin Money Fund	money market
Franklin New York Tax-Free Income Fund	municipal bond
Franklin Option Fund	stock
Franklin Tax-Exempt Money Fund	money market
Gateway Option Income Fund 1120 Carew Tower Cincinnati, OH 45202 513-621-7774* (local) 800-354-6339 (out of state) Exchange privilege: No	
Gateway Option Income Fund	stock
GEICO Investment Services 5550 Friendship Boulevard Terrace Level Chevy Chase, MD 20815 301-986-2200 (local) 800-832-6232 (out of state) Exchange privilege: Yes	
GEICO Investment-Govt Secs Cash	money market
Gintel & Co Greenwich Office Park OP-6 Greenwich, CT 06830 203-622-6400 (local) 800-243-5808 (out of state) Exchange privilege: No	
Gintel ERISA Fund	stock
Gintel Fund	stock

Fund distributor	Type of fund
GIT Investment Services 1655 North Fort Myer Drive Arlington, VA 22209 800-572-2050 (local) 800-336-3063 (out of state) Exchange privilege: Yes	
GIT Cash Trust-Govt MM	money market
GIT Cash Trust-Regular MM	money market
GIT Income Trust-A-Rated Income	bond & preferred
GIT Income Trust-Maximum Income	bond & preferred
GIT Tax-Free Trust-High Yield	municipal bond
GIT Tax-Free Trust-MM	money market
Government Investors Trust	money market
Gradison Mutual Funds 580 Walnut Street Cincinnati, OH 45202 800-582-7062 (local) 800-543-1818 (out of state) Exchange privilege: Yes	
Gradison Cash Reserves Trust	money market
Gradison Emerging Growth Fund	stock
Gradison Established Growth Fund	stock
Gradison US Government Trust	money market
Great American Securities 334 West Third Street Suite 201 San Bernardino, CA 92401 800-521-5612 (local) 800-972-3863 (outof state) Exchange privilege: No	
Yes Fund	bond & preferred
Greenspring Fund Quadrangle Village of Cross Keys Suite 322 Baltimore, MD 21210 301-435-9000 (local) Exchange privilege: No	
Greenspring Fund	stock
Growth Industry Shares 135 South LaSalle Street Chicago, IL 60603 312-346-4830 (local) Exchange privilege: No	
Growth Industry Shares	stock
GSC Performance Fund PO Box 10230 Greenville, SC 29603 803-271-7622* (local) Exchange privilege: No	
GSC Performance Fund	stock
GT Global Growth Funds 601 Montgomery Street Suite 1400 San Francisco CA 94111 800-824-8361 (local) 800-824-1580 (out of state) Exchange privilege: Yes	
GT Global Growth-Pacific	foreign

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1985 Fund Ratings

Fund distributor	Type of fund
Guardian Investor Services Corp 201 Park Avenue South New York, NY 10003 800-522-7800 (local) 800-221-3253 (out of state) Exchange privilege: Yes	
Guardian Cash Mgmt Trust	money market
Guardian Park Ave Fund	stock
John Hancock Distributors PO Box 111 Boston, MA 02117 617-421-4506 (local) 800-225-5291 (out of state) Exchange privilege: Yes	
John Hancock Bond Trust	bond & preferred
John Hancock Cash Management Trust	money market
John Hancock Growth Trust	stock
John Hancock Tax-Exempt Income Trust	municipal bond
John Hancock US Govt Guaranteed Mortgages	bond & preferred
John Hancock US Govt Securities Trust	bond & preferred
Hartwell Funds 515 Madison Avenue 31st Floor New York, NY 10022 212-308-3355 (local) 800-645-6405 (out of state) Exchange privilege: No	
Hartwell Growth Fund	stock
Hartwell Leverage Fund	stock
Heine Management Group PO Box 830 Westport, CT 06881 203-226-4768 (local) Exchange privilege: No	
LMH Fund	stock
Heine Securities 26 Broadway New York, NY 10004 212-908-4047* (local) 800-457-0211 (out of state) Exchange privilege: No	
Mutual Qualified Income Fund	stock
Mutual Shares	stock
JJB Hilliard, WL Lyons 545 South Third Street Louisville, KY 40202 800-292-1886 (local) 800-626-2023 (out of state) Exchange privilege: No	
Hilliard-Lyons Government Fund	money market
Home Life Money Mgmt Fund 253 Broadway New York, NY 10007 212-306-2520 (local) 800-221-5733 (out of state) Exchange privilege: No	
Home Life Money Mgmt Fund	money market

Fund distributor	Type of fund
Wayne Hummer & Co 175 West Jackson Boulevard Chicago, IL 60604 800-972-5566 (local) 800-621-4477 (out of state) Exchange privilege: No	
Wayne Hummer Growth Fund	stock
Wayne Hummer Money Fund Trust	money market
EF Hutton & Co 1 Battery Park Plaza New York, NY 10004 212-742-5432 (local) Exchange privilege: Yes	
Cash Reserve Management	money market
Hutton AMA Cash Fund	money market
Hutton California Municipal Fund	municipal bond
Hutton Government Fund	money market
Hutton Investment-Basic Value	stock
Hutton Investment-Bond & Income	bond & preferred
Hutton Investment-Emerging Growth	stock
Hutton Investment-Govt Secs	bond & preferred
Hutton Investment-Growth	stock
Hutton Investment-Option Income	stock
Hutton Investment-Precious Metals	stock
Hutton Investment-Short Term Investment	money market
Hutton National Municipal Fund	municipal bond
Hutton New York Municipal Fund	municipal bond
Municipal Cash Reserve Management	money market
IDS/American Express IDS Tower Minneapolis, MN 55474 612-372-3733 (local) 800-328-8300 (out of state) Exchange privilege: Yes	
IDS Bond Fund	bond & preferred
IDS Cash Management Fund	money market
IDS Discovery Fund	stock
IDS Equity Plus	stock
IDS Extra Income Fund	bond & preferred
IDS Growth Fund	stock
IDS High Yield Tax-Exempt Fund	municipal bond
IDS International Fund	foreign
IDS Managed Retirement Fund	stock
IDS Mutual	balanced
IDS New Dimensions Fund	stock
IDS Progressive Fund	stock
IDS Selective Fund	bond & preferred
IDS Stock Fund	stock
IDS Strategy Fund-Aggressive Equity	stock
IDS Strategy Fund-Equity	stock
IDS Strategy Fund-Income	bond & preferred
IDS Strategy Fund-Money Market	money market
IDS Tax-Free Money Fund	money market
IDS Tax-Exempt Bond Fund	municipal bond
III Securities Corporation 122 East 42nd Street New York, NY 10168 212-687-5200 (local) 800-221-2220 (out of state) Exchange privilege: Yes	
International Investors	foreign
Investors Security Trust 110 Bank Street Suffolk, VA 23434 804-539-2396 (local) Exchange privilege: No	
Old Dominion Investors Trust	stock

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1985 Fund Ratings

Fund distributor	Type of fund
IRI Securities One Appleton Square Minneapolis, MN 55420 612-853-9500 (local) 800-328-1010 (out of state) Exchange privilege: No	
IRI Stock Fund	stock
ISI Corp PO Box 23330 Oakland, CA 94623 415-832-1400 (local) Exchange privilege: Yes	
ISI Growth Fund	stock
ISI Income Fund	stock
ISI Trust Fund	stock
Istel Fund 345 Park Avenue 23rd Floor New York, NY 10154 212-702-0174 (local) Exchange privilege: No	
Istel Fund	stock
ITB Distributors 60 State Street Boston, MA 02109 617-542-0213* (local) 800-451-0502 (out of state) Exchange privilege: Yes	
Empire Builder Tax Free Bond Fund	municipal bond
Investment Trust of Boston	stock
Investment Trust of Boston Mass T-F Income	municipal bond
Investment Trust of Boston-High Income Plus	bond & preferred
Ivy Fund 40 Industrial Park Road Hingham, MA 02043 617-749-1416 (local) 800-235-3322 (out of state) Exchange privilege: No	
Ivy Growth Fund	stock
Janus Fund 100 Fillmore Street Suite 300 Denver, CO 80206 303-333-3863* (local) 800-525-3713 (out of state) Exchange privilege: Yes	
Janus Fund	stock
Jefferson-Pilot Investor Services PO Box 21008 Greensboro, NC 27420 919-378-2451 (local) Exchange privilege: Yes	
JP Growth Fund	stock
JP Income Fund	bond & preferred
Johnson, Lane, Space, Smith & Co 101 East Bay Street Savannah, GA 31401 212-697-6666 (in New York) Exchange privilege: No	
Prime Cash Fund	money market

Fund distributor	Type of fund
Jones & Babson 2440 Pershing Road Kansas City, MO 64108 816-471-5200* (local) 800-821-5591 (out of state) Exchange privilege: Yes	
Babson Bond Trust	bond & preferred
Babson Enterprise Fund	stock
Babson Growth Fund	stock
Babson Money Market Fund-Prime	money market
Babson Tax-Free Income Fund-Long Term	municipal bond
Babson Tax-Free Income Fund-MM	money market
Babson Tax-Free Income-Short Term	municipal bond
UMB Bond Fund	bond & preferred
UMB Money Market-Federal	money market
UMB Money Market-Prime	money market
UMB Stock Fund	stock
UMB Tax-Free MM Fund	money market
Edward D Jones & Co 201 Progress Parkway Maryland Heights, MO 63043 314-851-2000* (local) Exchange privilege: No	
ED Jones Daily Passport Cash Trust	money market
Kemper Sales Co 120 South LaSalle Street Chicago, IL 60603 312-781-1121 (local) 800-621-1048 (out of state) Exchange privilege: Yes	
Cash Equivalent Fund-Govt	money market
Cash Equivalent Fund-MM	money market
Investment Port-Equity	stock
Investment Port-Govt Plus	bond & preferred
Investment Port-High Yield	bond & preferred
Investment Port-MM	money market
Investment Port-Option Income	stock
Kemper Calif Tax-Free Income Fund	municipal bond
Kemper Government MM Fund	money market
Kemper Growth Fund	stock
Kemper High Yield Fund	bond & preferred
Kemper Income & Capital Preservation Fund	bond & preferred
Kemper International Fund	foreign
Kemper Money Market Fund	money market
Kemper Muni Bond Fund	municipal bond
Kemper Option Income Fund	stock
Kemper Summit Fund	stock
Kemper Total Return Fund	balanced
Kemper US Govt Secs Fund	bond & preferred
Tax-Exempt MM Fund	money market
Technology Fund	stock
Keystone Massachusetts Distributors 99 High Street Boston, MA 02110 617-338-3400 (local) 800-225-2618 (out of state) Exchange privilege: Yes	
Keystone Custodian B-1	bond & preferred
Keystone Custodian B-2	bond & preferred
Keystone Custodian B-4	bond & preferred
Keystone Custodian K-1	balanced
Keystone Custodian K-2	stock
Keystone Custodian S-1	stock
Keystone Custodian S-3	stock
Keystone Custodian S-4	stock
Keystone International Fund	foreign
Keystone Liquid Trust	money market
Keystone Precious Metals Holdings	stock
Keystone Tax Free Fund	municipal bond

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Fund distributor	Type of fund
Kidder Peabody 10 Hanover Square New York, NY 10005 212-510-5028* (local) Exchange privilege: Yes	
Kidder Peabody Govt Money Fund	money market
Kidder Peabody Premium Account	money market
Kidder Peabody Special Growth Fund	stock
Kidder Peabody Tax Exempt MM	money market
Webster Cash Reserve Fund	money market
Ladenburg, Thalmann & Co 540 Madison Avenue New York, NY 10022 212-940-0253 (local) Exchange privilege: No	
Westergaard Fund	stock
Legg Mason Wood Walker PO Box 1476 Baltimore, MD 21203 301-539-3400* (local) 800-492-7777 (out of state) Exchange privilege: Yes	
Legg Mason Cash Reserve Trust	money market
Legg Mason Tax Exempt Trust	money market
Legg Mason Value Trust	stock
Lehman Brothers Distributor 55 Water Street New York, NY 10041 212-558-3288* (local) 800-221-5350 (out of state) Exchange privilege: Yes	
Lehman Capital Fund	stock
Lehman Cash Mgmt Fund	money market
Lehman Govt Fund	money market
Lehman Investors Fund	stock
Lehman Opportunity Fund	stock
Lehman Tax-Free MM Fund	money market
Robert H Leshner 522 Dixie Terminal Building Cincinnati, OH 45202 800-543-8721 (local) 800-354-0440 (out of state) Exchange privilege: Yes	
ABT Emerging Growth Fund	stock
ABT Growth & Income Trust	stock
ABT Security Income Fund	stock
ABT Utility Income Fund	stock
LG Investment-LG US Govt Secs	bond & preferred
Midwest Group Capital-Bartlett Basic Value	stock
Midwest Group Tax Free-Limited Term	municipal
Midwest Group Tax Free-MM	money market
Midwest Income Trust-Cash Management	money market
Midwest Income Trust-Intermediate Term Govt	bond & preferred
Midwest Income Trust-Short Term Govt	money market

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Fund distributor	Type of fund
Lexington Management Corp PO Box 1515 Saddle Brook, NJ 07662 800-932-0838 (local) 800-526-4791 (out of state) Exchange privilege: Yes	
Corporate Leaders Trust Certificates Ser B	stock
Lexington GNMA Income Fund	bond & preferred
Lexington Goldfund	stock
Lexington Govt Secs MM Fund	money market
Lexington Growth Fund	stock
Lexington MM Trust	money market
Lexington Research Fund	stock
Lexington Tax Free Money Fund	money market
Lieber & Company 550 Mamaroneck Avenue Harrison, NY 10528 914-698-5711 (local) 800-635-0003 (out of state) Exchange privilege: Yes	
Evergreen Fund	stock
Evergreen Total Return Fund	stock
Life Investors Management Corp 4333 Edgewood Road NE Cedar Rapids, IA 52499 319-398-8511 (local) 800-553-4287 (out of state) Exchange privilege: Yes	
Mid America High Growth Fund	stock
Mid America Mutual Fund	stock
Lindner Management Corp 200 South Bemiston PO Box 16900 St Louis, MO 63105 314-727-5305 (local) Exchange privilege: No	
Lindner Dividend Fund	stock
Lindner Fund	stock
Lord Abbett & Co 63 Wall Street New York, NY 10005 212-425-8720* (local) 800-223-4224 (out of state) Exchange privilege: Yes	
Affiliated Fund	stock
Lord Abbett Bond Debenture Fund	bond & preferred
Lord Abbett Cash Reserve Fund	money market
Lord Abbett Developing Growth Fund	stock
Lord Abbett Income Fund	balanced
Lord Abbett Tax-Free-National	municipal bond
Lord Abbett Tax-Free-NY	municipal bond
Lord Abbett Value Appreciation	stock
Mairs & Power W-2062 First National Bank Bldg St Paul, MN 55101 612-222-8478 (local) Exchange privilege: No	
Mairs & Power Growth Fund	stock
Mairs & Power Income Fund	stock
Horace Mann Growth Fund 1 Horace Mann Plaza Springfield, IL 62715 217-789-2500 (local) Exchange privilege: No	
Horace Mann Growth Fund	stock

1985 Fund Ratings

Fund distributor	Type of fund
Massachusetts Financial Services 200 Berkeley Street Boston, MA 02116 617-423-3500 (local) 800-343-2923 (out of state) Exchange privilege: Yes	
Landmark Cash Reserves	money market
Landmark Tax-Free Reserves	money market
Managed Cash Account Trust	money market
Mass Capital Development Fund	stock
Mass Cash Management-Govt	money market
Mass Cash Management-Prime	money market
Mass Financial Bond Fund	bond & preferred
Mass Financial Development Fund	stock
Mass Financial Emerging Growth Trust	stock
Mass Financial High Income Trust	bond & preferred
Mass Financial International-Bond	bond & preferred
Mass Financial Special Fund	stock
Mass Income Development Fund	balanced
Mass Investors Growth Stock Fund	stock
Mass Investors Trust	stock
Massachusetts Tax-Exempt Money Market	money market
MFS Government Guaranteed Secs	bond & preferred
MFS Managed High Yield Muni Bond	municipal bond
MFS Managed M-S Tax-Exempt-Maryland	municipal bond
MFS Managed M-S Tax-Exempt-Massachusetts	municipal bond
MFS Managed M-S Tax-Exempt-N Carolina	municipal bond
MFS Managed M-S Tax-Exempt-S Carolina	municipal bond
MFS Managed M-S Tax-Exempt-Virginia	municipal bond
MFS Managed M-S Tax-Exempt-W Virginia	municipal bond
MFS Managed Muni Bond Trust	municipal bond
Municipal Working Capital Trust	money market
Mathers Fund 125 South Wacker Drive Chicago, IL 60606 312-236-8215 (local) Exchange privilege: No	
Mathers Fund	stock
McDonald & Company Securities 2100 Central National Bank Building Cleveland, OH 44114 216-443-2300 (local) 800-451-6200 (out of state) Exchange privilege: Yes	
McDonald Money Market Fund	money market
Meeschaert & Company 11 Parker Street Newton Centre, MA 02159 617-244-0432 (local) Exchange privilege: No	
Meeschaert Capital Accumulation Fund	stock
Milwaukee Co 250 East Wisconsin Avenue Milwaukee, WI 53202 800-242-1001 (local) 800-558-1015 (out of state) Exchange privilege: No	
Trust for Cash Reserves	money market
Merrill Lynch Funds Boston 125 High Street 4th Floor Boston, MA 02110 617-357-1460 (local) 800-225-1576 (out of state) Exchange privilege: Yes	
Merrill Lynch Government Fund	money market
Merrill Lynch Institutional Fund	money market

Fund distributor	Type of fund
Merrill Lynch Funds Distributor 633 Third Avenue New York, NY 10017 212-692-8159 (local) Exchange privilege: Yes	
Merrill Lynch Basic Value Fund	stock
Merrill Lynch Capital Fund	stock
Merrill Lynch Corp Bond-High Income	bond & preferred
Merrill Lynch Corp Bond-High Quality	bond & preferred
Merrill Lynch Corp Bond-Intermediate	bond & preferred
Merrill Lynch Equi-Bond I Fund	balanced
Merrill Lynch Federal Secs Trust	bond & preferred
Merrill Lynch Fund for Tomorrow	stock
Merrill Lynch International Holdings	stock
Merrill Lynch Muni Bond Fund-High Yield	municipal bond
Merrill Lynch Muni Bond Fund-Insured	municipal bond
Merrill Lynch Muni Bond Fund-Limited Maturity	municipal bond
Merrill Lynch Pacific Fund	foreign
Merrill Lynch Phoenix Fund	balanced
Merrill Lynch Ready Assets Trust	money market
Merrill Lynch Retirement Reserves Money Fund	money market
Merrill Lynch Special Value	stock
Merrill Lynch USA Govt Reserves	money market
Sci/Tech Holdings	stock
Summit Cash Reserves Fund	money market
Merrill Lynch, Pierce, Fenner & Smith 633 Third Avenue New York, NY 10017 212-692-8159 (local) Exchange privilege: Yes	
CMA Government Securities Fund	money market
CMA Money Fund	money market
CMA Tax-Exempt Fund	money market
MML Investors Services 1295 State Street Springfield, MA 01111 800-322-0371 (local) 800-451-1713 (out of state) Exchange privilege: No	
MassMutual Liquid Assets Trust	money market
Morgan Keegan & Co 1 Commerce Square Memphis, TN 38103 901-524-4100 (local) 800-238-7127 (out of state) Exchange privilege: No	
Morgan Keegan Daily Cash Trust	money market
Moseley, Hallgarten, Estabrook & Weedon 60 State Street Boston, MA 02116 617-367-2400 (local) Exchange privilege: No	
Short Term Assets Reserves	money market
Murphey Favre Seafirst Financial Center 9th Floor Spokane, WA 99201 509-624-4101 (local) 800-541-0830 (out of state) Exchange privilege: Yes	
Composite Bond & Stock Fund	balanced
Composite Cash Management	money market
Composite Fund	stock
Composite Income Fund	bond & preferred
Composite Tax Exempt Bond Fund	municipal bond
Composite US Government Securities	bond & preferred

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Fund distributor	Type of fund
Mutual Benefit Financial Services Co 290 Westminster Street Providence, RI 02903 401-751-8600* (local) 800-343-3382 (out of state) Exchange privilege: No	
MAP Government Fund	money market
Mutual Benefit Fund	stock
Mutual of Omaha Fund Management 10235 Regency Circle Omaha, NE 68114 800-642-8112 (local) 800-228-2499 (out of state) Exchange privilege: Yes	
Mutual of Omaha America Fund	bond & preferred
Mutual of Omaha Cash Reserve Fund	money market
Mutual of Omaha Growth Fund	stock
Mutual of Omaha Income Fund	balanced
Mutual of Omaha Money Market Acccount	money market
Mutual of Omaha Tax-Free Income Fund	municipal bond
National Industries Fund 2130 South Dahlia Street Denver, CO 80222 303-759-2400 (local) Exchange privilege: No	
National Industries Fund	stock
National Securities & Research Corp 605 Third Avenue New York, NY 10158 212-661-3000* (local) 800-223-7757 (out of state) Exchange privilege: Yes	
California Tax Exempt Bonds	municipal bond
Fairfield Fund	stock
National Bond Fund	bond & preferred
National Cash Reserves	money market
National Federal Securities Trust	bond & preferred
National Growth Fund	stock
National Income Fund	balanced
National Preferred Fund	bond & preferred
National Securities Tax Exempt Bonds	municipal bond
National Stock Fund	stock
National Total Return Fund	balanced
Nationwide Financial Services 1 Nationwide Plaza Columbus, OH 43216 800-282-1440 (local) 800-848-0920 (out of state) Exchange privilege: Yes	
Nationwide Bond Fund	bond & preferred
Nationwide Fund	stock
Nationwide Growth Fund	stock
Nationwide Money Market Fund	money market

Fund distributor	Type of fund
NEL Equity Services 501 Boylston Street Boston, MA 02117 617-267-6000 (local) 800-343-7104 (out of state) Exchange privilege: Yes	
Loomis-Sayles Capital Development Fund	stock
Loomis-Sayles Mutual Fund	balanced
NEL Cash Management Trust-MM	money market
NEL Cash Management Trust-US Govt	money market
NEL Equity Fund	stock
NEL Growth Fund	stock
NEL Income Fund	bond & preferred
NEL Retirement Equity Fund	stock
NEL Tax Exempt Bond Fund	municipal bond
NEL Tax Exempt MM Fund	money market
Neuberger & Berman Management 342 Madison Avenue New York, NY 10173 212-850-8300* (local) 800-367-0770 (out of state) Exchange privilege: Yes	
Energy Fund	stock
Guardian Mutual Fund	stock
Hemisphere Fund	stock
Liberty Fund	bond & preferred
Manhattan Fund	stock
Neuberger & Berman Government Money	money market
Neuberger & Berman Tax-Free Money	money market
Partners Fund	stock
Newton Fund PO Box 1348 Milwaukee, WI 53201 800-242-7229 (local) 800-247-7039 (out of state) Exchange privilege: Yes	
Newton Growth Fund	stock
Newton Income Fund	balanced
Newton Money Fund	money market
Nicholas Company 312 East Wisconsin Avenue Milwaukee, WI 53202 414-272-6133 (local) Exchange privilege: Yes	
Nicholas Fund	stock
Nicholas II	stock
Nicholas Income Fund	balanced
North Star Funds PO Box 1160 Minneapolis, MN 55440 612-371-7780 (local) Exchange privilege: Yes	
North Star Apollo	stock
North Star Bond Fund	bond & preferred
North Star Regional Fund	stock
North Star Stock Fund	stock
Northeast Investors Trust 50 Congress Street Boston, MA 02109 617-523-3588 (local) 800-225-6704 (out of state) Exchange privilege: Yes	
Northeast Investors Growth Fund	stock
Northeast Investors Trust	bond & preferred

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1985 Fund Ratings

Fund distributor	Type of fund
Nova Advisers 470 Atlantic Avenue Boston, MA 02210 617-350-0330* (local) 800-572-0006 (out of state) Exchange privilege: No	
Nova Fund	stock
Nuveen Advisory Corp 333 West Wacker Drive Chicago, IL 60606 312-917-7844* (local) 800-621-7210 (out of state) Exchange privilege: No	
Nuveen Muni Bond Fund	municipal bond
Nuveen Tax-Free Reserves	money market
Nuveen Tax-Exempt MM Fund	money market
Tax-Free Accounts	money market
Ohio Company 155 East Broad Street Columbus, OH 43215 614-464-6852 (local) 800-848-7734 (out of state) Exchange privilege: Yes	
Cardinal Fund	stock
Cardinal Government Securities Trust	money market
Cardinal Tax Exempt Money Trust	money market
Omega Fund 77 Franklin Street Boston, MA 02110 617-357-8480 (local) Exchange privilege: No	
Omega Fund	stock
Oppenheimer Capital Corp 1 New York Plaza New York, NY 10004 212-825-4497 (local) Exchange privilege: No	
Quest for Value Fund	stock
Oppenheimer Investor Services 2 Broadway New York, NY 10004 303-671-3200 (in Colorado) 800-525-7048 (out of state) Exchange privilege: Yes	
Hamilton Funds	stock
Oppenheimer AIM Fund	stock
Oppenheimer Challenger Fund	stock
Oppenheimer Directors Fund	stock
Oppenheimer Equity Income Fund	stock
Oppenheimer Fund	stock
Oppenheimer Gold & Special Minerals	stock
Oppenheimer High Yield Fund	bond & preferred
Oppenheimer Money Market Fund	money market
Oppenheimer New York Tax Exempt Fund	municipal bond
Oppenheimer Premium Income Fund	stock
Oppenheimer Regency Fund	stock
Oppenheimer Retirement-US Government Secs	bond & preferred
Oppenheimer Special Fund	stock
Oppenheimer Target Fund	stock
Oppenheimer Tax-Free Bond Fund	municipal bond
Oppenheimer Time Fund	stock
Oppenheimer US Government Trust	money market

Fund distributor	Type of fund
PaineWebber 1285 Avenue of the Americas 15th Floor New York, NY 10020 212-713-4818 (local) 800-223-3402 (out of state) Exchange privilege: Yes	
PaineWebber America Fund	stock
PaineWebber Atlas Fund	stock
PaineWebber Cashfund	money market
PaineWebber Fixed Income-GNMA	dual purpose
PaineWebber Fixed Income-High Yield	bond & preferred
PaineWebber Fixed Income-Invest Grade	bond & preferred
PaineWebber Olympus Fund	stock
PaineWebber RMA-MM	money market
PaineWebber RMA-Tax-Free	money market
PaineWebber RMA-US Govt	money market
PaineWebber Tax-Exempt Income	municipal bond
Parkway Management Rodney Building 3411 Silverside Road Wilmington, DE 19810 302-478-8531* (local) 800-441-7786 (out of state) Exchange privilege: Yes	
Parkway Cash Fund	money market
Parkway Tax-Free Reserve Fund	money market
Pax World Fund 224 State Street Portsmouth, NH 03801 603-431-8022 (local) Exchange privilege: No	
Pax World Fund	stock
Penn Square Management PO Box 1419 Reading, PA 19603 215-670-1031* (local) 800-523-8440 (out of state) Exchange privilege: No	
Penn Square Mutual Fund	stock
Pennsylvania Mutual Fund 1414 Avenue of the Americas New York, NY 10019 212-355-7311 (local) 800-221-4268 (out of state) Exchange privilege: Yes	
Pennsylvania Mutual Fund	stock
PFS Management Services 5400 University Avenue West Des Moines, IA 50265 800-422-3175 (local) 800-247-4170 (out of state) Exchange privilege: Yes	
Farm Bureau Growth Fund	stock
FBL Money Market Fund	money market

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Fund distributor	Type of fund
Phoenix Equity Planning Corp One American Row Hartford, CT 06115 203-278-8050* (local) 800-243-4361 (out of state) Exchange privilege: Yes	
Phoenix Balanced Fund	balanced
Phoenix Convertible Fund	balanced
Phoenix Growth Fund	stock
Phoenix High Quality Bond Fund	bond & preferred
Phoenix High Yield Fund	bond & preferred
Phoenix MM Fund	money market
Phoenix Stock Fund	stock
Pilgrim Distributors 222 Bridge Plaza South Fort Lee, NJ 07024 201-461-7500 (local) 800-526-0475 (out of state) Exchange privilege: Yes	
Pilgrim GNMA Fund	bond & preferred
Pilgrim High Yield Trust	bond & preferred
Pilgrim MagnaCap Fund	stock
Pioneer Group 60 State Street Boston, MA 02109 617-742-7825* (local) 800-225-6292 (out of state) Exchange privilege: Yes	
Pioneer Bond Fund	bond & preferred
Pioneer Fund	stock
Pioneer II	stock
Pioneer Three	stock
Prescott, Ball & Turben 230 West Monroe Street Chicago, IL 60606 800-572-4437 (local) 800-621-7321 (out of state) Exchange privilege: Yes	
Constellation Growth Fund	stock
Selected American Shares	stock
Selected Money Market-General	money market
Selected Money Market-Government	money market
Selected Special Shares	stock
Selected Tax-Exempt Bond Fund	municipal bond
Weingarten Equity Fund	stock
T Rowe Price Associates 100 East Pratt Street Baltimore, MD 21202 301-547-2308* (local) 800-638-5660 (out of state) Exchange privilege: Yes	
T Rowe Price Growth & Income Fund	stock
T Rowe Price Growth Stock Fund	stock
T Rowe Price High Yield Fund	bond & preferred
T Rowe Price International Fund	foreign
T Rowe Price New Era Fund	stock
T Rowe Price New Horizons Fund	stock
T Rowe Price New Income Fund	bond & preferred
T Rowe Price Prime Reserve Fund	money market
T Rowe Price Short-Term Bond Fund	bond & preferred
T Rowe Price Tax-Exempt Money Fund	money market
T Rowe Price Tax-Free High Yield Fund	municipal
T Rowe Price Tax-Free Income Fund	municipal bond
T Rowe Price Tax-Free Short Intermediate	municipal bond
T Rowe Price US Treasury Money Fund	money market

Fund distributor	Type of fund
PRO Services PO Box 1111 Blue Bell, PA 19422 215-825-0400 (local) 800-523-0864 (out of state) Exchange privilege: Yes	
Medical Technology Fund	stock
PRO Fund	stock
PRO Income Fund	bond & preferred
PRO Money Fund-Treasury	money market
Prudential-Bache 1 Seaport Plaza New York, NY 10292 212-214-1216 (local) 800-872-7787 (out of state) Exchange privilege: Yes	
Command Government Fund	money market
Command Money Fund	money market
Command Tax-Free Fund	money market
Prudential-Bache Adjustable Rate Preferred Stock	bond & preferred
Prudential-Bache California Municipal	municipal bond
Prudential-Bache Equity Fund	stock
Prudential-Bache Global Fund	foreign
Prudential-Bache Govt Secs-Intermediate Term	bond & preferred
Prudential-Bache Govt Secs-MM	money market
Prudential-Bache Growth Opportunity	stock
Prudential-Bache High Yield Fund	bond & preferred
Prudential-Bache High Yield Municipals	municipal bond
Prudential-Bache Moneymart Assets	money market
Prudential-Bache Muni-Arizona	municipal bond
Prudential-Bache Muni-Georgia	municipal bond
Prudential-Bache Muni-Maryland	municipal bond
Prudential-Bache Muni-Massachusetts	municipal bond
Prudential-Bache Muni-Michigan	municipal bond
Prudential-Bache Muni-N Carolina	municipal bond
Prudential-Bache Muni-New York	municipal bond
Prudential-Bache Muni-New York MM	money market
Prudential-Bache Muni-Ohio	municipal bond
Prudential-Bache Option Growth Fund	stock
Prudential-Bache Quality Income Fund	bond & preferred
Prudential-Bache Research Fund	stock
Prudential-Bache Tax-Free Money Fund	money market
Prudential-Bache Utility Fund	stock
Putnam Financial Services 1 Post Office Square Boston, MA 02109 617-292-1000 (local) 800-225-1581 (out of state) Exchange privilege: Yes	
Putnam California Tax Exempt Income	municipal bond
Putnam Capital Fund	stock
Putnam Convertible Income-Growth Trust	balanced
Putnam Daily Dividend Trust	money market
Putnam Energy-Resources Trust	stock
Putnam Fund for Growth & Income	stock
George Putnam Fund of Boston	balanced
Putnam Health Sciences Trust	stock
Putnam High Income Government Trust	bond & preferred
Putnam High Yield Trust	bond & preferred
Putnam Income Fund	balanced
Putnam Information Sciences Trust	stock
Putnam International Equities Fund	foreign
Putnam Investors Fund	stock
Putnam Option Income Trust	stock
Putnam Option Income Trust II	stock
Putnam Tax Exempt Income Fund	municipal bond
Putnam US Govt Guaranteed Securities	bond & preferred
Putnam Vista Fund	stock
Putnam Voyager Fund	stock

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1985 Fund Ratings

Fund distributor	Type of fund
Quest Distributors 1414 Avenue of the Americas New York, NY 10019 212-355-7311 (local) 800-221-4268 (out of state) Exchange privilege: No	
Royce Value Fund	stock
Rea-Graham Fund 10966 Chalon Road Los Angeles, CA 90077 213-471-1917 (local) Exchange privilege: No	
Rea-Graham Fund	balanced
Reich & Tang 100 Park Avenue New York, NY 10017 212-370-1240* (local) Exchange privilege: Yes	
Connecticut Daily Tax Free Income	money market
Daily Dollar Reserves	money market
Daily Income Fund	money market
Daily Tax Free Income Fund	money market
Empire Tax Free Money Market	money market
Fahnestock Daily Income Fund	money market
Reich & Tang Equity Fund	stock
SBSF Fund	stock
Short Term Income Fund-Government	money market
Short Term Income Fund-MM	money market
Reserve Partners 810 Seventh Avenue 35th Floor New York, NY 10019 212-977-9880* (local) 800-223-5547 (out of state) Exchange privilege: Yes	
Reserve CPA-Government	money market
Reserve CPA-Primary	money market
Reserve Equity Trust-Contrarian	stock
Reserve Fund-Government	money market
Reserve Fund-Primary	money market
Reserve New York Tax-Exempt Tr-NY	money market
Reserve Tax Exempt-Interstate	money market
Reserve Tax-Exempt Connecticut	money market
Review Distributing Corp Plymouth & Walnut Avenues Oreland, PA 19075 215-887-6312* (local) 800-523-2578 (out of state) Exchange privilege: No	
Over-the-Counter Securities Fund	stock
Rochester Fund Distributors 183 East Main Street Suite 942 Rochester, NY 14604 716-232-6930* (local) Exchange privilege: Yes	
Rochester Tax Managed Fund	stock
LF Rothschild, Unterberg, Towbin 55 Water Street New York, NY 10041 212-412-1000 (local) Exchange privilege: No	
LF Rothschild Earnings & Liquidity	money market
LF Rothschild Exempt Fund	money market
Ruane, Cunniff & Co 1370 Avenue of the Americas New York, NY 10019 212-245-4500 (local) Exchange privilege: No	
Sequoia Fund	stock
SA Russell & Co 120 Wall Street New York, NY 10005 212-248-6960 (local) Exchange privilege: No	
Trinity Liquid Assets Trust	money market
Morton H Sachs & Co 1346 South Third Street Louisville, KY 40208 502-636-5633 (local) Exchange privilege: No	
Fairmont Fund	stock
Safeco Securities Safeco Plaza Seattle, WA 98185 206-545-5530 (local) 800-426-6730 (out of state) Exchange privilege: Yes	
Safeco California Tax Free Income Fund	municipal bond
Safeco Equity Fund	stock
Safeco Growth Fund	stock
Safeco Income Fund	stock
Safeco Money Market Mutual Fund	money market
Safeco Municipal Bond Fund	municipal bond
Safeco Tax-Free Money Market Fund	money market
Scudder Fund Distributors 175 Federal Street Boston, MA 02110 800-225-2470 (local) 800-453-3305 (out of state) Exchange privilege: Yes	
Scudder California Tax-Free Fund	municipal bond
Scudder Capital Growth Fund	stock
Scudder Cash Investment Trust	money market
Scudder Development Fund	stock
Scudder Government Money Fund	money market
Scudder Growth & Income Fund	stock
Scudder Income Fund	balanced
Scudder International Fund	foreign
Scudder Managed Municipal Bonds	municipal bond
Scudder New York Tax-Free Fund	municipal bond
Scudder Target Fund-General 1990	bond & preferred
Scudder Tax-Free Money Fund	money market
Scudder Tax-Free Target-1987	municipal bond
Scudder Tax-Free Target-1990	municipal bond
Scudder Tax-Free Target-1993	municipal bond
Securities Fund Investors PO Box 3942 St Petersburg, FL 33731 813-823-8712 (local) 800-237-0738 (out of state) Exchange privilege: Yes	
Templeton Foreign Fund	foreign
Templeton Global I	stock
Templeton Global II	stock
Templeton Growth Fund	stock
Templeton World Fund	stock

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Fund distributor	Type of fund
Securities Management & Research Moody & Market Streets Galveston, TX 77550 409-763-2767 (local) Exchange privilege: Yes	
American National Bond Fund	bond & preferred
American National Growth Fund	stock
American National Income Fund	stock
American National Money Market Fund	money market
Security Distributors 700 Harrison Street Topeka, KS 66636 800-432-2394 (local) 800-255-3557 (out of state) Exchange privilege: Yes	
Security Action Fund	stock
Security Bond Fund	bond & preferred
Security Cash Fund	money market
Security Equity Fund	stock
Security Investment Fund	stock
Security Ultra Fund	stock
Seligman Marketing 1 Bankers Trust Plaza New York, NY 10006 800-522-6869 (local) 800-221-2450 (out of state) Exchange privilege: Yes	
Liberty Cash Management Fund	money market
Seligman Calif T-E-High Yield	municipal bond
Seligman Calif T-E-Money Market	money market
Seligman Calif T-E-Quality	municipal bond
Seligman Capital Fund	stock
Seligman Cash Management-Government	money market
Seligman Cash Management-Prime	money market
Seligman Common Stock Fund	stock
Seligman Communications & Information	stock
Seligman Growth Fund	stock
Seligman High Inc-High Yield Bond	bond & preferred
Seligman High Inc-Secured Mortgage	bond & preferred
Seligman High Inc-US Govt Guaranteed	bond & preferred
Seligman Income Fund	balanced
Seligman Tax Exempt-Michigan	municipal bond
Seligman Tax Exempt-National	municipal bond
Seligman Tax Exempt-Ohio	municipal bond
Seligman Tax-Exempt-Massachusetts	municipal bond
Seligman Tax-Exempt-Minnesota	municipal bond
Seligman Tax-Exempt-New York	municipal bond
Sentry Equity Services 1800 North Point Drive Stevens Point, WI 54481 800-472-0280 (local) 800-826-0266 (out of state) Exchange privilege: Yes	
Sentry Cash Management Fund	money market
Sentry Fund	stock

Fund distributor	Type of fund
Shearson Lehman Brothers Two World Trade Center New York, NY 10048 212-577-5794 (local) Exchange privilege: Yes	
Shearson Aggressive Growth Fund	stock
Shearson Appreciation Fund	stock
Shearson California Municipals	municipal bond
Shearson Daily Dividend	money market
Shearson Daily Tax-Free Dividend	money market
Shearson FMA Cash Fund	money market
Shearson FMA Govt Fund	money market
Shearson FMA Municipal Fund	money market
Shearson Fundamental Value Fund	stock
Shearson Global Opportunities	foreign
Shearson Government & Agencies	money market
Shearson High Yield Fund	bond & preferred
Shearson Managed Governments	bond & preferred
Shearson Managed Municipals	municipal bond
Shearson New York Municipals	municipal bond
Sherman, Dean Fund 120 Broadway New York, NY 10271 212-577-3850* (local) Exchange privilege: No	
Sherman, Dean Fund	stock
Sierra Growth Fund 1880 Century Park East Suite 717 Los Angeles, CA 90067 213-277-1450 (local) Exchange privilege: No	
Sierra Growth Fund	stock
Sit Investment Associates 1714 First Bank Place West Minneapolis, MN 55402 612-332-3223 (local) Exchange privilege: Yes	
"New Beginning" Growth Fund	stock
Smith Barney, Harris Upham & Co 333 West 34th Street New York, NY 10001 212-613-2631 (local) Exchange privilege: Yes	
National Liquid Reserves-Cash	money market
National Liquid Reserves-Govt	money market
Smith, Barney Equity Fund	stock
Smith Barney-Income & Growth	stock
Smith Barney-Income Return	bond & preferred
Smith Barney-US Govt Secs	bond & preferred
Tax Free Money Fund	money market
Vantage Money Market-Cash	money market
Vantage-Money Market-Govt	money market
Sogen Securities Corp 520 Madison Avenue New York, NY 10022 212-832-0022 (local) Exchange privilege: No	
Sogen International Fund	balanced

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1985 Fund Ratings

Fund distributor	Type of fund
Sovereign Advisers 3 Great Valley Parkway East Suite 103 Malvern, PA 19355 215-251-0705 (local) Exchange privilege: No	
Sovereign Investors	stock
State Bond Sales Corp Investment Department 100-106 North Minnesota Street New Ulm, MN 56073 507-354-2144* (local) 800-328-4735 (out ot state) Exchange privilege: Yes	
State Bond Cash Management Fund	money market
State Bond Common Stock Fund	stock
State Bond Diversified Fund	stock
State Bond Progress Fund	stock
State Bond Tax Exempt Fund	municipal bond
State Street Research & Management 1 Financial Center Boston, MA 02111 617-482-3920 (local) Exchange privilege: No	
State Street Investment Corp	stock
STCM Distributors 200 Park Avenue Suite 2532 New York, NY 10017 212-697-6666 (local) 800-228-4227 (out of state) Exchange privilege: Yes	
Capital Cash Management Trust	money market
Cash Assets Trust	money market
Hawaiian Tax-Free Trust	municipal bond
Steadman Funds 1730 K Street NW Suite 915 Washington, DC 20006 202-223-1000 (local) 800-424-8570 (out of state) Exchange privilege: Yes	
Financial Planners Federal Securities	money market
Steadman American Industry Fund	stock
Steadman Associated Fund	bond & preferred
Steadman Investment Fund	stock
Steadman Oceanographic Technology & Growth	stock
Stein Roe & Farnham PO Box 1162 Chicago, IL 60690 312-368-7800* (local) 800-621-0320 (out of state) Exchange privilege: Yes	
Stein Roe & Farnham Capital Opportunity	stock
Stein Roe & Farnham Stock Fund	stock
SteinRoe Bond Fund	bond & preferred
SteinRoe Cash Reserves	money market
SteinRoe Discovery Fund	stock
SteinRoe Govt Reserves	money market
SteinRoe High Yield Muni	municipal bond
SteinRoe Special Fund	stock
SteinRoe Tax-Exempt Bond Fund	municipal bond
SteinRoe Tax-Exempt Money Fund	money market
SteinRoe Total Return Fund	balanced
SteinRoe Universe Fund	stock

Fund distributor	Type of fund
Stralem & Co 405 Park Ave New York, NY 10022 212-888-8123 (local) Exchange privilege: No	
Stralem Fund	stock
Strategic Distributors 2030 Royal Lane Dallas, TX 75229 214-484-1326* (local) 800-527-5027 (out of state) Exchange privilege: Yes	
Strategic Capital Gains	stock
Strategic Investments Fund	stock
Strategic Silver Fund	stock
Strategic Treasury Positions	money market
Stratton Management PO Box 550 Blue Bell, PA 19422 215-542-8025* (local) Exchange privilege: Yes	
Stratton Growth Fund	stock
Stratton Monthly Dividend Shares	stock
Strong/Corneliuson Capital Management 815 East Mason Street Suite 1610 Milwaukee, WI 53202 414-765-0620* (local) 800-368-3863 (out of state) Exchange privilege: Yes	
Strong Investment Fund	balanced
Strong Total Return Fund	balanced
Sutro & Co 201 California Street San Francisco, CA 94111 415-445-8500 (local) Exchange privilege: No	
Sutro MM Fund	money market
Tenneco Asset Planning Co 777 Walker Suite 2000 Houston, TX 77002 713-757-2222 (local) 800-231-0808 (out of state) Exchange privilege: Yes	
Fund of the Southwest	stock
Plimoney Fund	money market
Plitrend Fund	stock
Southwestern Investors Income Fund	balanced
Thomson McKinnon Securities 1 New York Plaza New York, NY 10004 212-482-5930 (local) 800-482-5894 (out of state) Exchange privilege: Yes	
Thomson McKinnon Growth Fund	stock
Thomson McKinnon Income Fund	bond & preferred
Thomson McKinnon Opportunity Fund	stock

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Fund distributor	Type of fund
Transamerica Financial Resources PO Box 2438 Los Angeles, CA 90051 213-742-2222* (local) 800-343-6840 (out of state) Exchange privilege: No	
Transamerica Cash Reserve	money market
Transatlantic Fund 100 Wall Street New York, NY 10005 212-747-0440 (local) 800-223-4130 (out of state) Exchange privilege: No	
Transatlantic Fund	foreign
Trusteed Funds 1 Winthrop Square Boston, MA 02110 800-462-1199 (local) 800-343-2902 (out of state) Exchange privilege: Yes	
Commonwealth Indenture of Trust Plan C	stock
Commonwealth Indenture of Trust Plans A&B	stock
GPM Fund	balanced
Tucker Anthony & RL Day 1 Beacon Street Boston, MA 02108 800-392-6037 (local) 800-225-6258 (out of state) Exchange privilege: Yes	
Freedom Gold & Govt Fund	dual purpose
Tucker Anthony Cash Mgmt Fund	money market
Tucker Anthony Govt Secs Fund	money market
Tucker Anthony Tax-Exempt Money	money market
Twentieth Century Investors 605 West 47th Street Kansas City, MO 64112 816-531-5575 (local) Exchange privilege: Yes	
Twentieth Century Cash Reserve	money market
Twentieth Century Growth Investors	stock
Twentieth Century Select Investors	stock
Twentieth Century Ultra Investors	stock
Twentieth Century US Govt Investors	bond & preferred
Twentieth Century Vista Investors	stock
Unified Management Corp 600 Guaranty Building Indianapolis, IN 46204 317-634-3300 (local) 800-862-7283 (out of state) Exchange privilege: Yes	
Liquid Green Tax-Free Trust	money market
Liquid Green Trust	money market
Unified Growth Fund	stock
Unified Income Fund	balanced
Unified Mutual Shares Fund	balanced

Fund distributor	Type of fund
United Services Advisors PO Box 29467 San Antonio, TX 78229 512-696-1234 (local) 800-824-4653 (out of state) Exchange privilege: Yes	
United Services-Gold Shares Fund	stock
United Services-Good & Bad Times Fund	stock
United Services-Growth Fund	stock
United Services-Prospector Fund	stock
United Services-US Treasury Secs	money market
Universal Programs 110 Wall Street New York, NY 10005 212-668-8111 (local) 800-221-5588 (out of state) Exchange privilege: Yes	
Eagle Growth Shares	stock
Philadelphia Fund	stock
USAA Transfer Services PO Box 33277 San Antonio, TX 78265 512-690-3543 (local) 800-531-8181 (out of state) Exchange privilege: Yes	
USAA Gold Fund	stock
USAA Investment Trust-Cornerstone Fund	stock
USAA Mutual-Federal Secs MM	money market
USAA Mutual-Growth Fund	stock
USAA Mutual-Income Fund	balanced
USAA Mutual-MM Fund	money market
USAA Mutual-Sunbelt Era Fund	stock
USAA Tax Exempt-High Yield	municipal bond
USAA Tax Exempt-Intermediate Term	municipal bond
USAA Tax Exempt-MM Fund	money market
USAA Tax Exempt-Short Term	municipal bond
Valley Forge Fund PO Box 262 Valley Forge, PA 19481 215-688-6839 (local) Exchange privilege: No	
Valley Forge Fund	stock
Value Line Securities 711 Third Avenue New York, NY 10017 800-223-0818 (local) 800-223-0818 (out of state) Exchange privilege: Yes	
Value Line Bond Fund	bond & preferred
Value Line Cash Fund	money market
Value Line Fund	stock
Value Line Income Fund	stock
Value Line Leveraged Growth Investors	stock
Value Line Special Situations Fund	stock
Value Line Tax Exempt Fund-High Yield	municipal bond
Value Line Tax Exempt Fund-MM	money market
Van Kampen Merritt 2 Penn Center Plaza Suite 1600 Philadelphia, PA 19102 312-983-2064 (in Illinois) 800-468-5900 (out of state) Exchange privilege: Yes	
Van Kampen Merritt Insured Tax Free	municipal bond
Van Kampen Merritt US Govt Fund	bond & preferred

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1985 Fund Ratings

Fund distributor	Type of fund

Vanguard Group
Vanguard Financial Center
Valley Forge, PA 19482
800-362-0530 (local)
800-662-7447 (out of state)
Exchange privilege: Yes

Explorer Fund	stock
Gemini Fund	stock
Ivest Fund	stock
WL Morgan Growth Fund	stock
Naess & Thomas Special Fund	stock
PrimeCap Fund	stock
Trustees' Commingled-International Equity	stock
Trustees' Commingled-US Equity	stock
Vanguard Fixed Income Secs-GNMA	bond & preferred
Vanguard Fixed Income Secs-High Yield	bond & preferred
Vanguard Fixed Income Secs-Invest Grade	bond & preferred
Vanguard Fixed Income Secs-Short Term	bond & preferred
Vanguard Index Trust	stock
Vanguard MM Trust-Federal	money market
Vanguard MM Trust-Insured	money market
Vanguard MM Trust-Prime	money market
Vanguard Muni Bond-Intermediate-Term	municipal bond
Vanguard Muni Bond-Long-Term	municipal bond
Vanguard Muni Bond-Short-Term	money market
Vanguard Muni Bond-High Yield	municipal bond
Vanguard Muni Bond-Insured Long-Term	municipal bond
Vanguard Muni Bond-MM	money market
Vanguard Qualified Dividend I	stock
Vanguard Qualified Dividend II	bond & preferred
Vanguard Qualified Dividend III	bond & preferred
Vanguard Specialized-Gold & Prec Metals	stock
Vanguard Specialized-Health Care	stock
Vanguard Specialized-Service Economy	stock
Vanguard Specialized-Technology	stock
Vanguard Star Fund	balanced
Wellesley Income Fund	balanced
Wellington Fund	balanced
Windsor Fund	stock
Windsor II	stock

Variable Stock Fund
1 Financial Plaza
Springfield, MA 01550
413-781-3000 (local)
Exchange privilege: No

Variable Stock Fund	stock

Venture Advisers
PO Box 1688
Santa Fe, NM 87504-1688
505-983-4335 (local)
800-545-2098 (out of state)
Exchange privilege: Yes

New York Venture Fund	stock
RPF of America-Bond Fund	bond & preferred
RPF of America-Equity Fund	stock
RPF of America-MM Fund	money market
Venture Income (+) Plus	bond & preferred
Venture Muni (+) Plus	municipal bond

Fund distributor	Type of fund

Waddell & Reed
2400 Pershing Road
PO Box 1343
Kansas City, MO 64141
816-283-4000 (local)
800-821-5664 (out of state)
Exchange privilege: Yes

United Accumulative Fund	stock
United Bond Fund	bond & preferred
United Cash Management	money market
United Continental Income Fund	balanced
United Government Secs Fund	bond & preferred
United High Income Fund	bond & preferred
United Income Fund	stock
United International Growth Fund	stock
United Muni Bond Fund	municipal bond
United New Concepts Fund	stock
United Science & Energy Fund	stock
United Vanguard Fund	stock

Wall Street Management Corp
641 Lexington Avenue
New York, NY 10022
212-319-9400* (local)
Exchange privilege: No

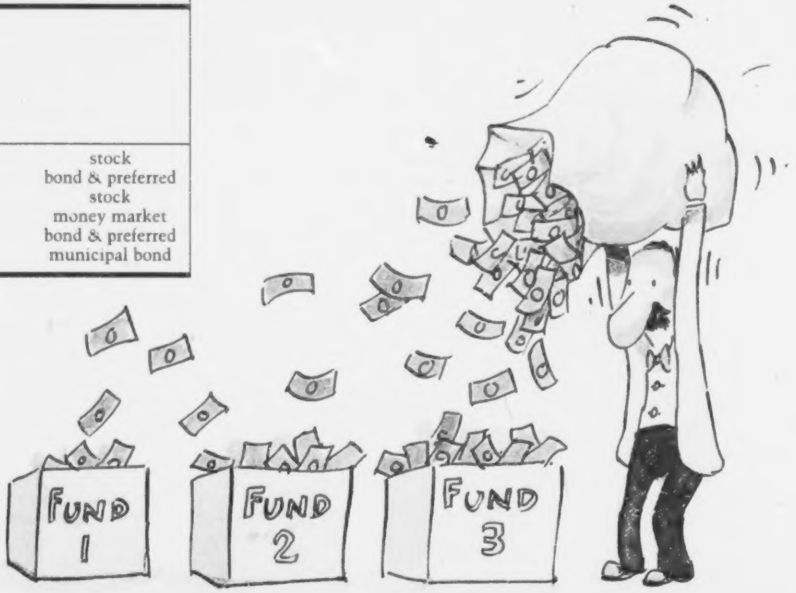
Wall Street Fund	stock

Weiss, Peck & Greer
One New York Plaza
New York, NY 10004
212-908-9500 (local)
Exchange privilege: Yes

Tudor Fund	stock
WPG Fund	stock

Working Assets Money Fund
230 California Street
San Francisco, CA 94111
415-889-3200 (local)
800-543-8800 (outside)
Exchange privilege: No

Working Assets Money Fund	money market



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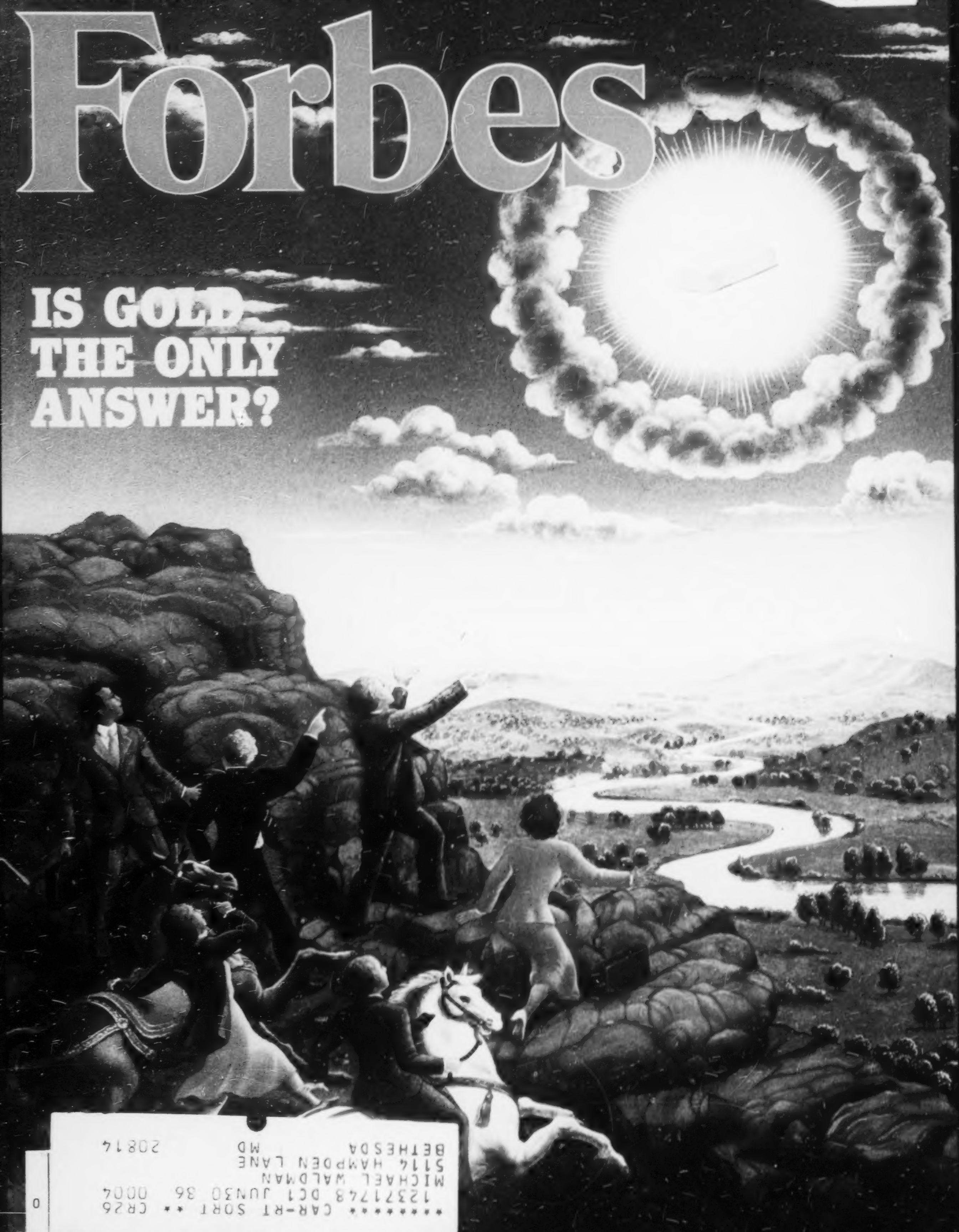

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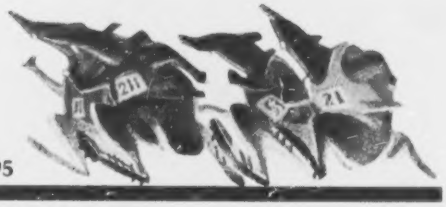

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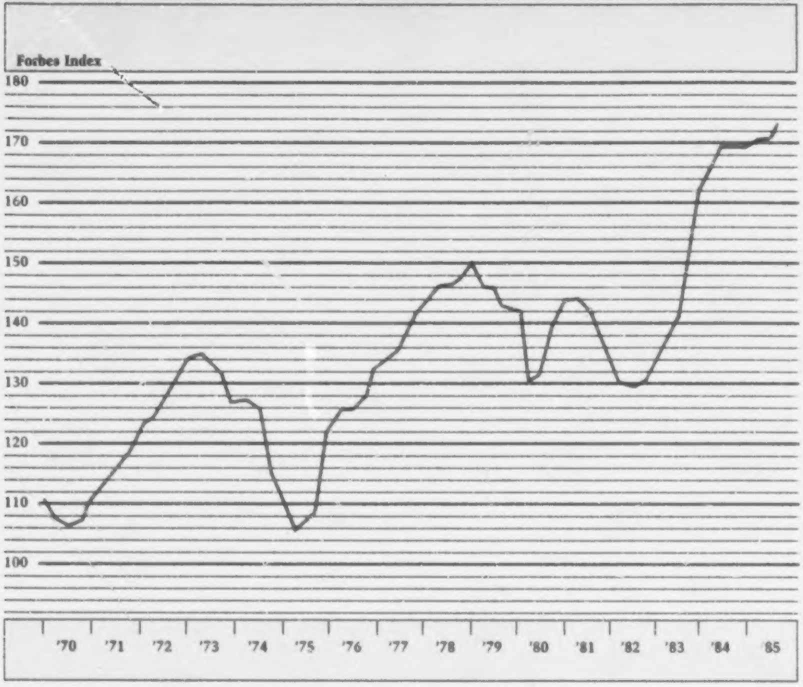
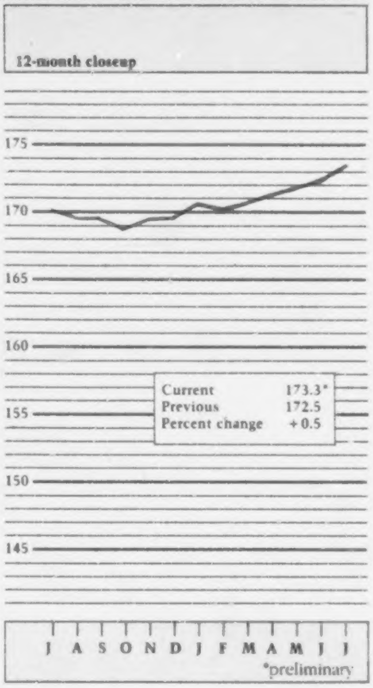
Cover illustration by Kinuko Craft

The Forbes Index





Current 173.3*
Previous 172.5
Percent change +0.5

*preliminary

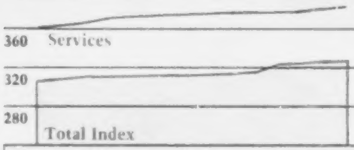
Inflation is still not a problem. M1 may be growing faster than targeted earlier by the Fed, but there is little evidence that it is putting inflationary pressure on the economy. The overall Consumer Price Index shows a less than 0.2% increase over the previous month—on an annualized basis, an inflation rate of only 1.9%. Last June the CPI pointed to an annual inflation rate of 3.7%.

Inventories crept up 0.5% while manufacturers' new orders showed a 2.8% month-to-month decline. Even so, the total of new orders for the most recent three-month period was some 1.2% higher than it was one month ago. Thus, as calculated in the Forbes Index, the relationship between new orders to inventories still had a positive impact. This helped push up the Forbes Index 0.5%.

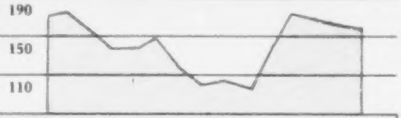
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production; new claims for unemployment compensation; the cost of services relative to all consumer prices; the level of new orders for durable goods compared with manufacturers' inventories; total retail sales; new housing starts; personal income; total consumer installment credit.

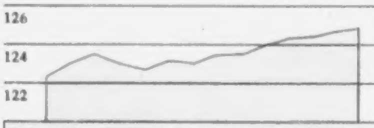
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



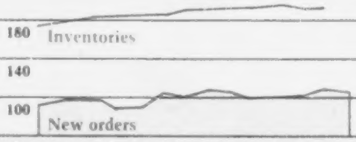
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



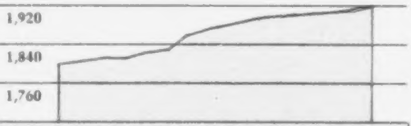
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



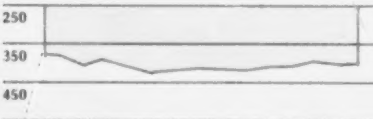
Industrial production index (1967 = 100)
seasonally adjusted (Federal Reserve)



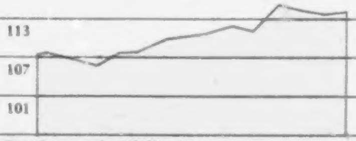
Manufacturers' new orders and inventories
($billions) seasonally (Dept. of Commerce)



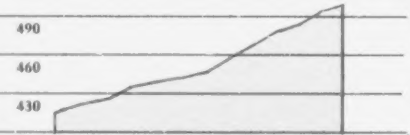
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month
(thousands) seasonally adjusted (Dept. of Labor)



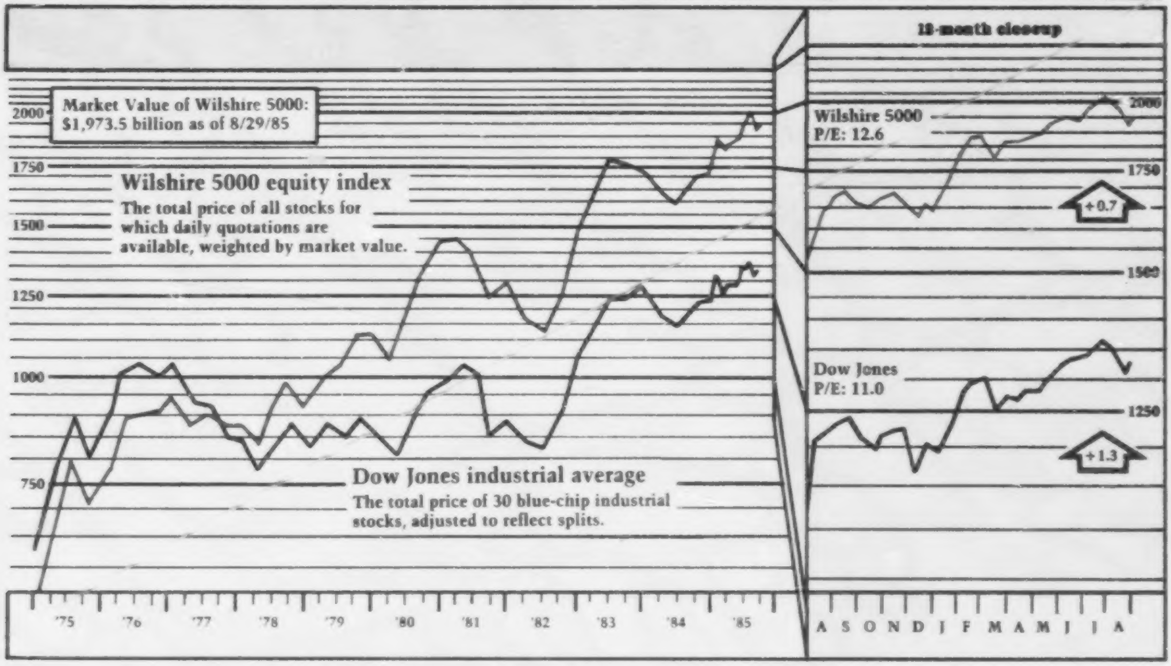
Retail store sales ($billions)
seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



No fireworks. Wall Street ended the summer on a quiet note. Most of the excitement was provided by a handful of companies involved in takeover plays and firms like Mesa Petroleum, Union Carbide and Westinghouse with plans to restructure or buy back. On the NYSE daily trading volume averaged a modest 100 million shares.

But the apparent lethargy masks the fact that stocks were quietly making a comeback from their sharp declines of early August, when, in one day, the Dow fell almost 22 points and the Wilshire index lost nearly $25 billion in market value. Blue chips, predictably, recovered faster than secondary issues. The Dow ended the two-week period less than 25 points away from its mid-July high. All the Dow needs is a 1.9% gain to match its peak. Meanwhile, the Wilshire would need to rise 3.6% ($70 billion) to reach its previous top.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	–1.6	–1.7	–1.5	–1.5	–0.1	–2.2
in last 52 weeks	14.9	16.4	9.1	14.3	9.1	16.8

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	–1.5	–0.5	–0.7	0.5	–1.8	–1.2	0.0	0.0	0.0	–0.6	–1.3	–1.3
in last 52 weeks	18.5	20.2	21.5	31.4	11.1	28.8	26.8	24.0	19.5	28.5	26.1	6.9

[1] Based on sales.

[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.

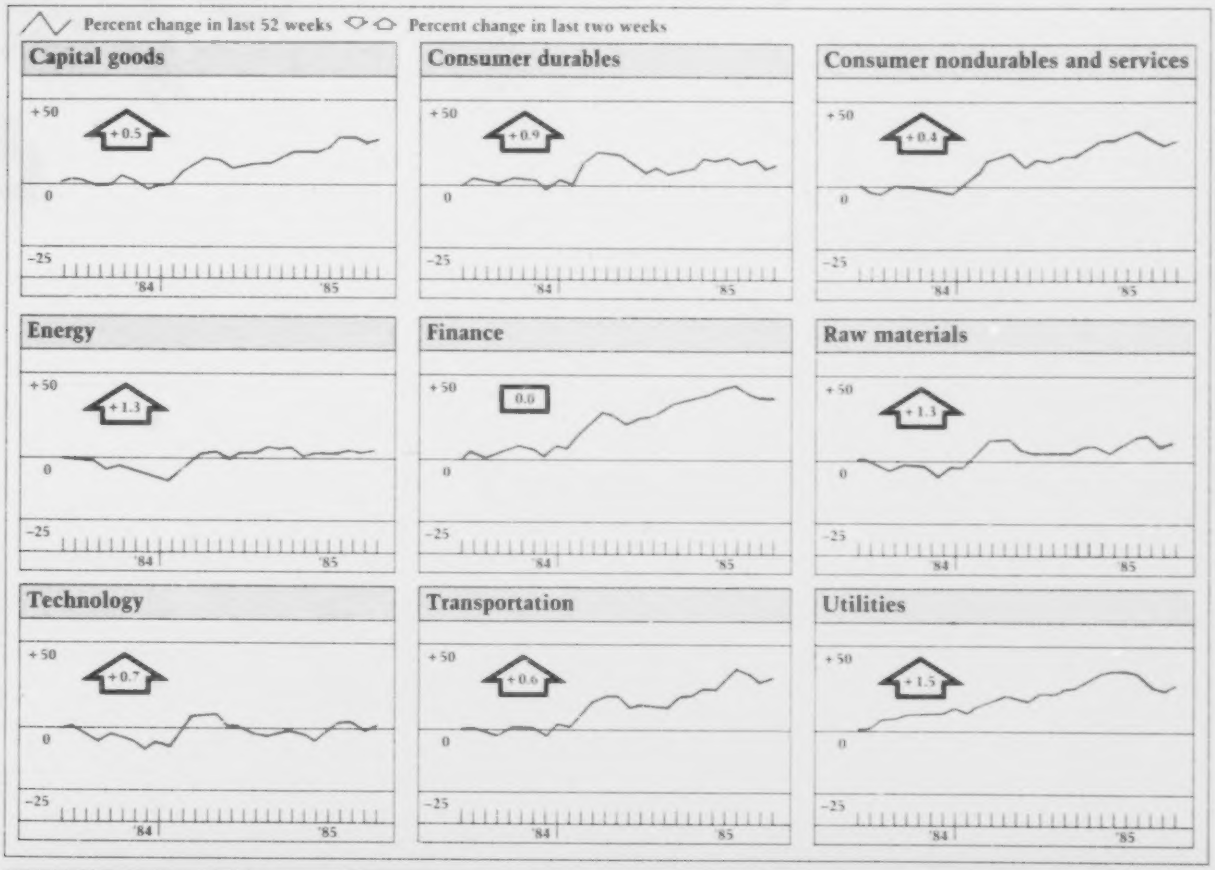
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 8/29/85. Prepared by Wilshire Associates, Santa Monica, Calif.

Where The Action Is

Hidden in the averages. The finance sector ended the two-week period unchanged. But a handful of major finance shares finished the last ten trading days with healthy advances. Leading the list was E.F. Hutton, which, aided by takeover speculation, rose more than 19%. Paine Webber, another brokerage firm, was also among the top five performing large-capitalization finance stocks.

All other groups posted minor gains. The best performing sector in the past two weeks, utilities, had several losers. Wall Street particularly shied away from power companies with significant financial or regulatory problems. Kansas Gas & Electric fell almost 19%. Middle South Utilities and Long Island Lighting lost nearly 12% and 9%, respectively.



What The Analysts Think

The cheapest stocks around. While the Forbes Sales 500 sell at 10.2 times estimated 1985 earnings, the consumer durables sector is selling at only a 7.7 multiple. That means these shares are priced even lower than utility stocks. If the anticipated cyclical decline does not materialize, venturesome investors could be rewarded.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.46	11.5
1985 estimates	3.89	10.2
1986 estimates	4.50	8.9

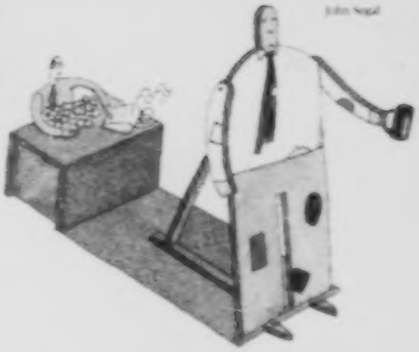
Rank based on change in estimate	Sector	Estimated 1985 EPS	Estimated 1985 P/E	% change in 1985 estimate in 2 weeks	% change in 1985 estimate in 4 weeks
1	Finance	$3.20	10.1	-0.03%	-0.02 %
2	Consumer nondurables	2.43	12.9	-0.20	-0.19
3	Utilities	3.37	8.0	-0.34	-0.52
4	Energy	3.51	8.4	-0.96	-1.42
5	Consumer durables	4.91	7.7	-1.04	-0.76
6	Capital goods	2.92	10.3	-1.43	-1.72
7	Raw materials	1.94	13.0	-1.63	-3.13
8	Transportation	2.59	10.6	-1.71	-2.4[illegible]
9	Technology	2.55	13.3	-2.22	-3.44

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 8/29/85. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

Statistical Spotlight

A tax-loss carryforward can be a hidden asset, especially if held by a company with extra cash or untapped borrowing power.



John Segal

Losers, keepers

By Leslie Pittel

"WANTED: real-estate-related operating company with large net operating loss," read a recent advertisement in the *Wall Street Journal.* Trafficking in tax-loss carryforwards? Who, me?

The IRS has rules to prevent what it calls trafficking in losses. A tax loss isn't supposed to be traded around as if it were a load of steel or a vacant lot. But, stepping carefully around these rules, wheeler-dealers do treat losses as an asset that can add value to a company. So do smart stock pickers.

Look at Circuit City Stores, formerly Wards Co. The $519 million (fiscal 1985 sales) electronics retailer bought moneylosing and bankrupt Lafayette Radio Electronics in 1981. Circuit City has used Lafayette's carryforwards to shelter some of its earnings. Since then earnings per share have grown at a 106% rate and the stock price is up more than 12-fold.

It also works the other way. A firm with a tax-loss carryforward and a healthy balance sheet can buy other, profitable firms. The management can run the firm tax-free until the tax benefits run out.

Pantry Pride's recent attempt to take over Revlon was predicated on the former's loss carryforward, accumulated during its years as a not very successful grocery chain. Wickes Cos. came out of Chapter 11 bankruptcy in January with almost $500 million in loss carryforwards and a healthy balance sheet. In June it paid over $1 billion for Gulf & Western Industries' consumer and industrial products group. Shelter from the Wickes losses could save around $80 million a year on the former G&W operations.

Losses are not invariably useful. "A tax-loss carryforward isn't worth a damn unless it's backed by a good financial position," says Marty Whitman of M.J. Whitman & Co., a New York City investment firm. Adds Lee Seidler, a general partner with Bear, Stearns in New York City, "Even as-

Risk rewarded

Four years ago the 42 firms listed here were moneylosers, but they all had juicy tax-loss carryforwards. A portfolio of these risky stocks would have gained an impressive 80%, vs. 39% for the Wilshire 5000 index.

Company	% change	Company	% change
Allied Supermarkets	141%	MCI Communications	164%
American Airlines (AMR Corp)	221	McLouth Steel	–100
American Motors	–38	Memorex*	4
RL Burns (Pyro Energy)	–9	National Tea*	50
CI Mortgage Group*	35	The Outlet*	102
Cenco	–99	Pan American	64
Chicago Milwaukee	242	Penn Central	70
Chrysler	441	Pier 1	680
Commonwealth Oil Refining	–100	Republic Airlines	49
Eastern Air Lines	21	Sambo's Restaurants	–100
Fedders	–33	F&M Schaeffer*	6
First Pennsylvania	44	Seatrain Lines	–50
Food Fair (Pantry Pride)	73	Singer Cos	120
Genesco	–43	Teleprompter*	11
Great Atlantic & Pacific Tea	198	Todd Shipyards	24
Grolier	119	UNC Resources	–23
International Harvester	–54	United Merchants & Mfrs	167
Itel	41	Western Air Lines	–27
Jonathan Logan*	295	Wheeling-Pittsburgh Steel	–70
Leucadia National	818	White Motor (NE Ohio Axle)	–72
LTV	–63	Wyly (UCCEL)	31
Average	80%		
Wilshire index	39%		

*Acquired or went private.

suming that a firm got to use the tax-loss carryforward, the most it would be worth is whatever the tax rate is, say 46%." If uncertainties abound, a dollar of loss may be worth not 46 cents but only 5 or 10 cents.

Companies have 15 years to make use of their carryforwards before they expire. But the tax rules can, in certain cases, deny use of a loss carryforward if there is a big change in the taxpayer's line of business or stock ownership. "You have to prove to the IRS that you really want the business and not just the tax benefits," says John Adams, president of Smith-Vasiliou Management Co. in New York City. The laws on tax-loss carryforwards are complex and changing. Congress rewrote the laws in 1976, but since then it has repeatedly postponed the effective date of the new laws. There might or might not be a second rewrite.

A few years ago FORBES ran a list of troubled firms with large tax-loss carryforwards *(Apr. 13, 1981)*. Many of them were able to put those tax credits to good use. On average the group is up 80%, vs. 39% for the market, as measured by the Wilshire 5000.

The list, updated, appears on page 214. Leucadia National, a diversified financial firm, scored the biggest turnaround, with an 818% stock price gain. Then there's Pier 1. In 1979 Newcorp, a former REIT that was working its way out of bankruptcy, acquired Pier 1 for $36 million in cash and eventually changed the name of the merged company back to Pier 1. In part using the tax-loss carryforwards from Newcorp, Pier 1 earnings have climbed smartly and its stock is up almost 700%.

Herewith a new list *(below)* of loss leaders. Most of the companies are plausible turnaround candidates or have large cash positions, so the loss carryforwards will probably not go to waste. Texas Air, with its chief subsidiary, Continental Airlines, in Chapter 11, has more than $190 million in unused losses. The company recently made an apparently unsuccessful attempt to take over Trans World Airlines. Chicago Milwaukee Corp., after selling its interest in the Milwaukee Railroad this year for $587 million, is left with substantial real estate properties, timberlands, and tax-loss carryforwards of $178 million.

But don't forget that large tax-loss carryforwards alone are not always enough. McLouth Steel, Sambo's Restaurants and Seatrain Lines went bankrupt, and common shareholders received little or nothing back on their investment. Investors are still behind 60% or more in LTV, Wheeling-Pittsburgh Steel and White Motor (Northeast Ohio Axle). ■

Lures and traps

Some of the firms listed here are emerging from bankruptcy. Others still teeter on the brink. But all have a lure—significant tax-loss carryforwards that can shelter future income for up to 15 years. That's the catch, of course. Of what use are carryforwards if there are no profits to be offset?

Exch	Company/business	Price recent	Price 52-week high low	Tax loss/ share	Latest 12-month EPS	Cash ($million)	Current ratio	Sales ($million)
a	**AM International**/office equip	3⅞	5⅜– 2½	$5.09	$0.87	$ 33.7	1.40	$ 598
p	**Allied Supermarkets**/supermarkets	5¼	6 – 2⅜	3.39	–0.08	38.1	2.36	530
n	**Bethlehem Steel**/steel	17½	21 – 14⅜	26.40	–3.52	127.0	1.07	5,392
p	**Central Jersey Inds**/bank equip, vending	24⅝	29¼– 7⅛	47.77	0.95	12.3	2.61	56
n	**Chicago Milwaukee**/multicompany	135	199–130	72.59	0.42	200.0*	1.87	159
o	**Chicago Pacific**/real estate	29¾	30½– 24	11.77	5.93	254.0	23.01	96
p	**City Stores**/retail	7⅜	8½– 6	31.64	0.17	11.8	6.69	4
n	**Danaher**/tire and rubber	8⅜	9½– 5½	11.82	0.41	2.7	1.00	91
o	**Doskocil**/food processing	1½	2 – 1	1.20	0.06	4.7	2.85	104
o	**Equion**/auto parts	5⅝	7 – 4⅜	1.08	0.83	0.3	2.04	40
o	**Itel**/leasing	8⅛	8⅝– 2⅞	21.57	–0.51	61.0	NA	195
ps	**Lionel**/toys†	5¾	5¾– 3⅝	3.66	1.43	3.1	3.30	355
n	**Mestek**/engineering svcs, comp equip	3⅞	4⅜– 2½	22.96	nil	1.8	2.88	12‡
n	**Natl Intergroup**/diversified	28	33½– 24¼	18.85	–2.43	203.0	2.86	2,294
n	**Pantry Pride**/supermarkets	6⅞	8 – 3⅜	8.21	0.12	32.8	2.31	770
n	**Penn Central**/multicompany	51¾	58⅝– 43¾	53.96	4.24	37.1	1.75	2,569
o	**Reading Co**/real estate	21⅞	23⅜– 15¾	49.28	0.16	20.4	2.05	25
n	**Revere Copper & Brass**/metal fab†	14⅝	14⅞– 10	17.33	6.44	108.5	8.30	601
a	**Texas Air**/airline	18⅜	19¾– 6⅝	14.69	2.97	317.0	2.25	1,372
n	**Tiger Intl**/freight transport	7¼	10¼– 5¾	17.81	–4.46	152.0	0.93	1,209
o	**Triton Group**/multicompany	1¾	1⅞– 1¼	3.35	NA	1.8	1.81	9**
n	**US Steel**/steel	30⅜	31⅛– 22½	10.23	1.61	292.0	1.17	19,104
n	**Wheeling-Pittsburgh Steel**/steel†	8⅝	24⅛– 6⅝	12.90	–28.76	NA	NA	1,050
a	**Wickes**/retail	4⅜	5¼– 2⅜	5.14	1.54	565.0	3.32	3,031

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter. p: Philadelphia Stock Exchange. ps: Pacific Stock Exchange. *Estimate from *The Value Line Investment Survey*. †Company in Chapter 11 proceedings. ‡Fiscal 1983. **Eight months. NA: Not available.

One of the fundamentals of economics has taught OPEC a painful lesson: When you raise the price of something, people will learn to substitute or to do with less.

OIL SLICK

By Stanley W. Angrist

Other than students of economic history, who would have thought that the members of OPEC would be cheating each other blind only 12 years after their biggest triumph? How did this strange turn of events come about? At least some of the answers may be found in the table.

With the exception of the Soviet bloc, every sector of the world energy market has reduced consumption since 1979, and that decline does not appear to be over. U.S. consumption has dropped a tremendous 17% since 1979, and the story for this year is much the same.

What has caused this reduction in demand? Nothing more than simple economics at work. The higher prices that OPEC imposed on the world in the last 12 years are now working their long-range magic by way of conservation. But in addition to conservation, the world's economies are continuing to substitute other fuels—coal, natural gas and nuclear power—for oil. What's more, the economies of the OECD countries are growing most strongly in their service sectors, where little oil is used per unit of output.

The most striking thing to note from the production part of the table is where the cuts were made. In Saudi Arabia production has fallen from 9.6 million barrels per day (mbpd) in 1979 to an estimated 3.7 mbpd for 1985. The other OPEC members have seen their production drop from 21.9 mbpd to an estimated 13.6 mbpd. These 1985 estimates are by Paine Webber and could well be on the high side.

The Saudis are now threatening to play their trump card: unilaterally increasing production by 5 mbpd or so while simultaneously cutting their crude price by $5 to $10 per barrel. The idea being to shock the other OPEC members sufficiently so that in a couple of weeks they would abandon their nefarious ways and return to a cartel-dictated price.

Refiners have cut their purchases, thus keeping inventories at unusually low levels in anticipation of the Saudi action. Apparently, oil buyers are now doing for OPEC what the cartel cannot do for itself—stabilizing prices by cutting back on the volume purchased, forcing additional production cuts.

One way to play this waiting game is by means of a bear spread in crude. Currently, in the oil market the near months sell for more than the distant, reflecting relatively low inventory levels. If the Saudis play their trump card, the nearby contracts will fall much more sharply than the distant ones, since the shock treatment would not be expected to last long. So I would try to sell November and buy January crude, with the November carrying at least a 25-point premium to the January. The margin on this trade is about $750; the round-turn commission, $50 at a discounter.

This trade has the potential to be a big winner if the Saudis do their number. I would look for a minimum 200-point profit ($1,000 per spread), risking no more than 50 points ($500 per spread) from my entry price. If this trade works at all, it won't take very long to reach its price objective. ■

Stanley W. Angrist is a commodity speculator, consultant and longtime observer of the commodity markets.

Conservation blues

Oil consumption has declined steadily since 1979, and production has had no choice but to follow suit. OPEC—and Saudi Arabia in particular—has had to absorb all of the cuts, while other producers, such as Britain, Norway and Mexico, have gained market share at its expense.

World oil production*	1979	1980	1981	1982	1983	1984	1985†
US	10.1	10.2	10.2	10.2	10.2	10.4	10.6
USSR	11.9	12.2	12.4	12.4	12.5	12.4	12.4
Saudi Arabia	9.6	10.0	10.0	6.7	5.2	4.7	3.7
Other OPEC	21.9	17.5	13.4	13.2	13.3	13.6	13.6
Western Europe	2.4	2.6	2.7	3.1	3.5	3.8	3.9
Other	9.9	10.2	10.7	11.4	12.0	12.9	13.0
Total	**65.8**	**62.7**	**59.4**	**57.0**	**56.7**	**57.8**	**57.2**
World oil consumption*							
US	17.9	16.5	15.6	14.8	14.7	15.2	15.0
Soviet bloc	12.9	13.0	13.2	13.2	13.2	13.2	13.2
Western Europe	15.0	14.0	13.1	12.5	12.2	12.3	12.5
Other noncommunist	18.3	18.1	18.0	18.0	17.8	18.2	18.2
Total	**64.1**	**61.6**	**59.9**	**58.5**	**57.9**	**58.9**	**58.9**

*In millions of barrels per day. †Estimated by Paine Webber.

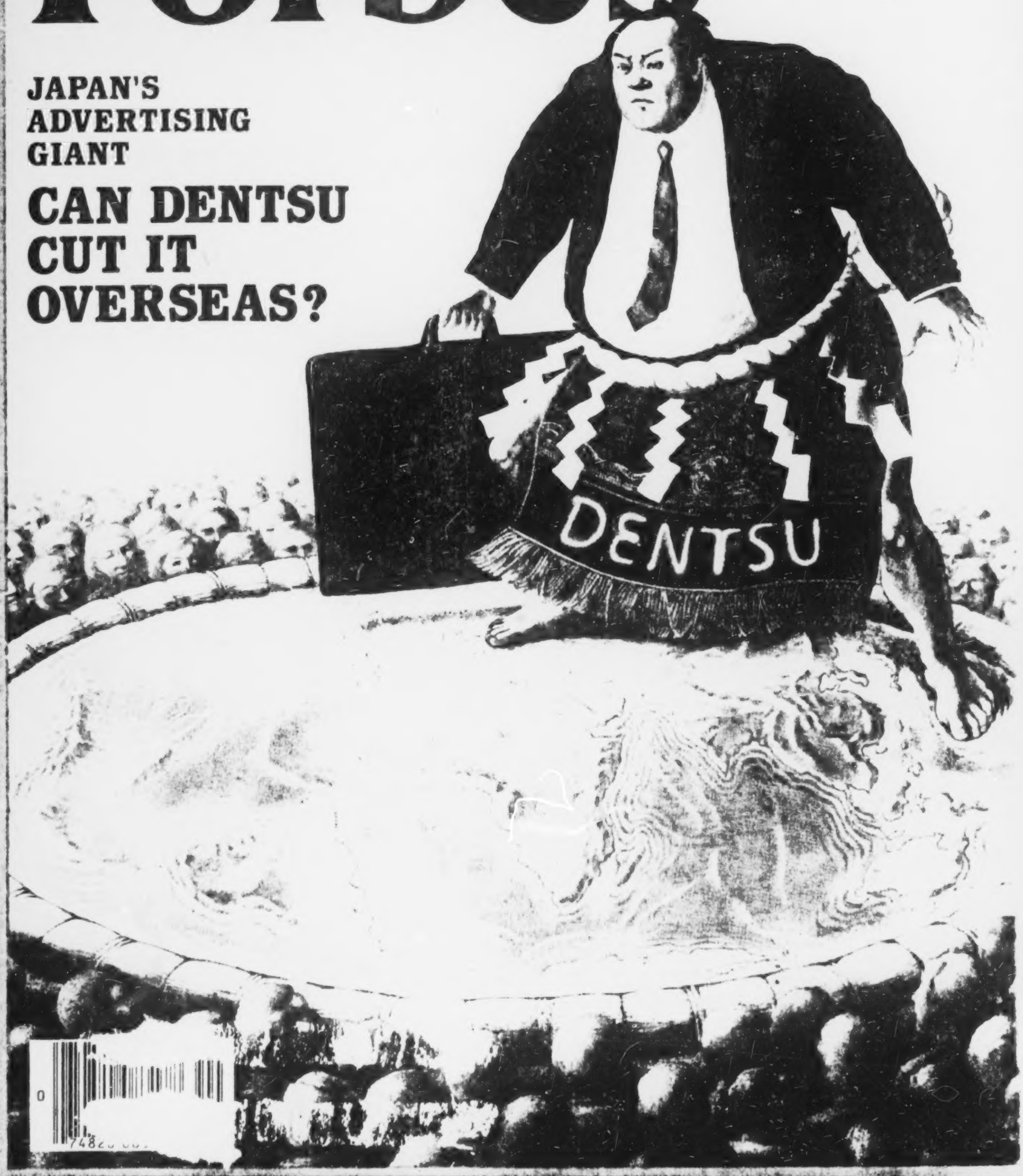
Source: *British Petroleum Statistical Review.*

OCTOBER 7, 1985 THREE DOLLARS

Forbes

JAPAN'S ADVERTISING GIANT

CAN DENTSU CUT IT OVERSEAS?



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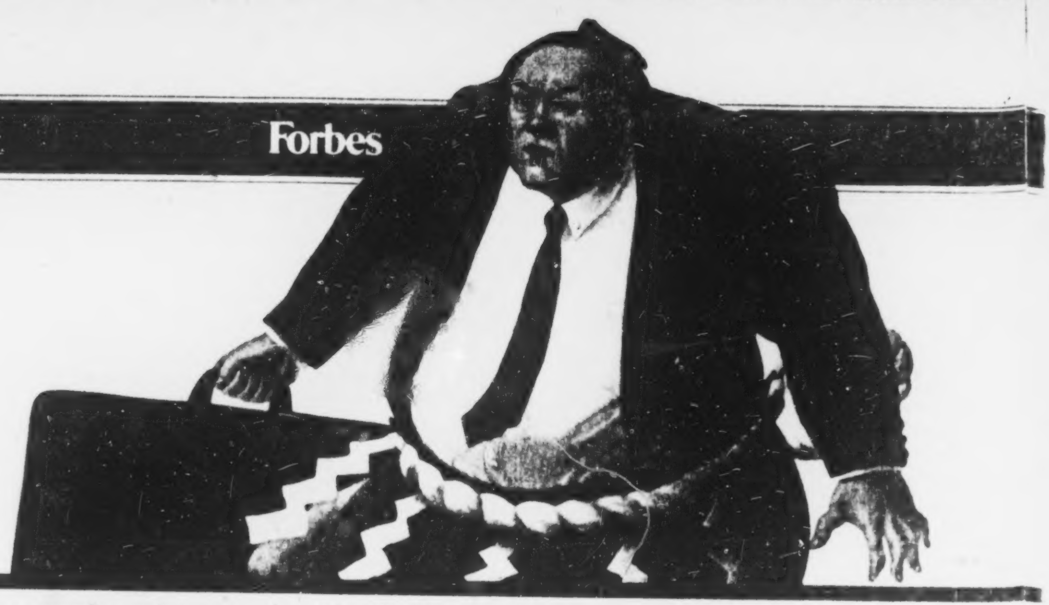

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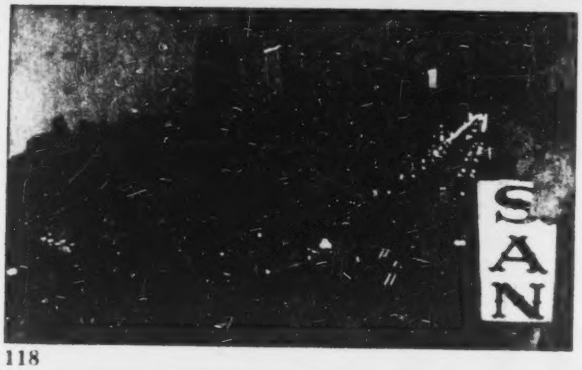

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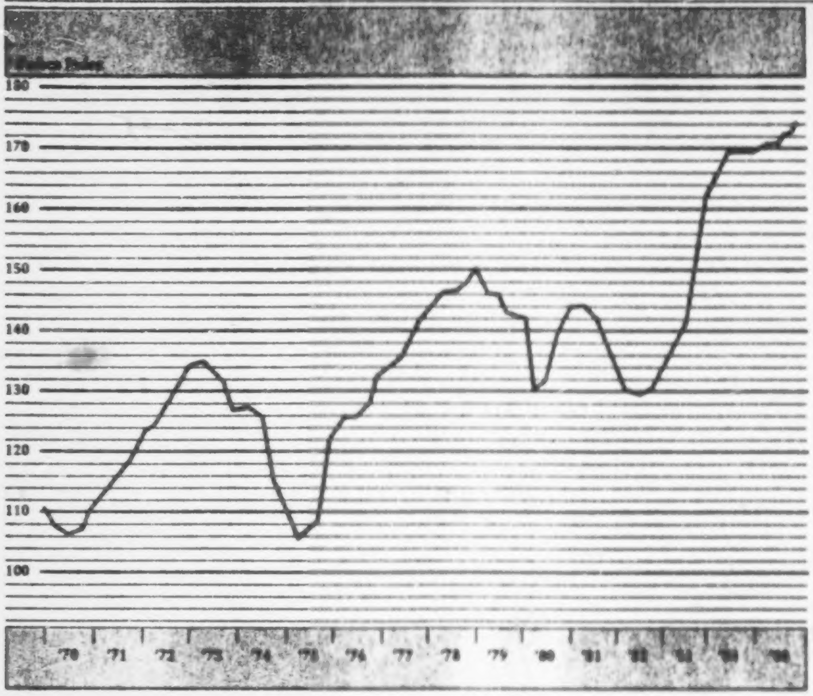
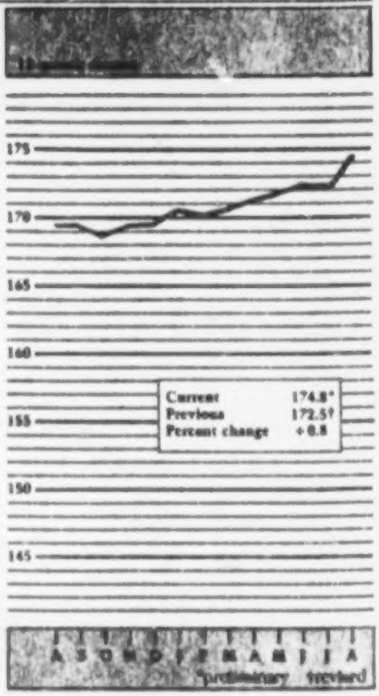
Cover illustration by Kinuko Craft

The Forbes Index





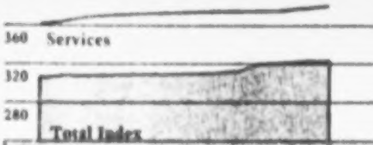
Cannibalizing sales? Retail sales jumped 1.9% over the previous month. Sharply higher domestic auto sales account for a chunk of this gain. But the motoring public was set off on a buying spree by discounted financing and factory rebate programs. Automakers may be gaining additional sales now at the cost of fewer sales once the incentive programs are ended. However, they evidently prefer to play the bird-in-hand game.

Meanwhile, new unemployment claims show a 3.1% month-to-month decline. The number of newly unemployed is at its lowest since September 1984. Manufacturers' inventories crept up 0.1% over the previous month. The Forbes Index, at a new high, signals very good news—provided the unemployment drop wasn't a fluke.

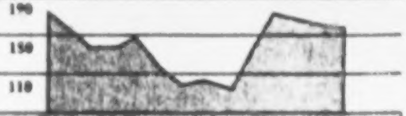
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements. Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

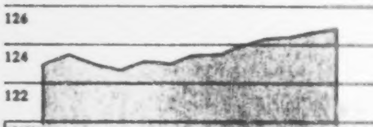
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



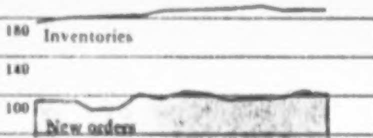
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



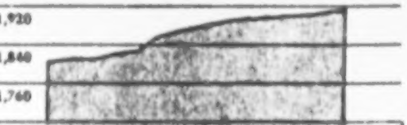
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



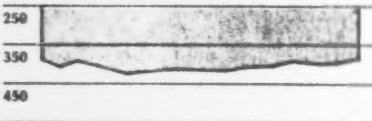
Industrial production index (1967 = 100)
seasonally adjusted (Federal Reserve)



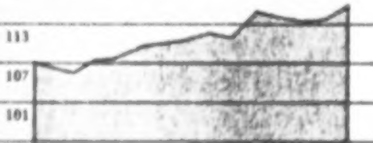
Manufacturers' new orders and inventories
($billions) seasonally (Dept. of Commerce)



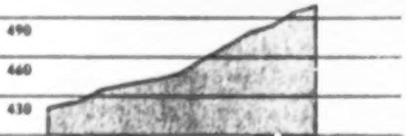
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month
(thousands) seasonally adjusted (Dept. of Labor)



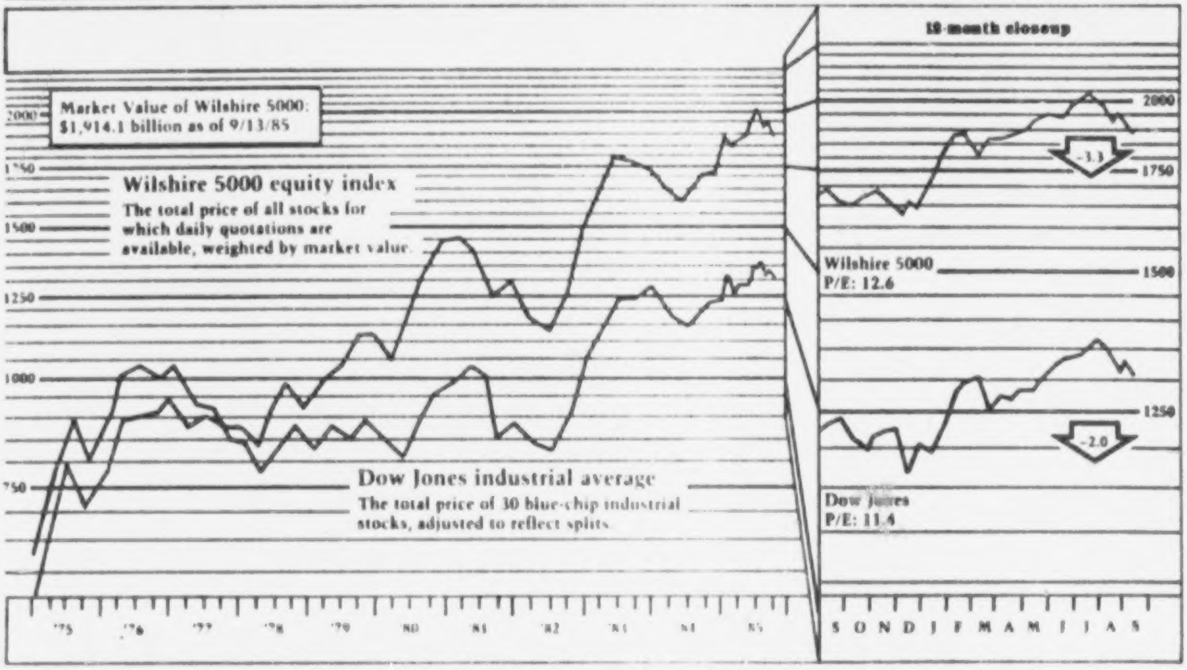
Retail store sales ($billions)
seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



A healthy setback. Share prices fell sharply during the last two weeks, breaking a climb that started at the end of the first quarter of the year. The overall market, as measured by the Wilshire index, lost 3.3%. This brought the Wilshire's market capitalization to $135 billion dollars below its mid-July peak. As the investor yardsticks below illustrate, Wall Streeters showed little discrimination during the last four weeks: They sold off conservative and speculative issues with similar passion.

The faltering averages could mean that the bull market has run its course. But rallies never go straight upward. Despite its recent losses, the Wilshire is up 9.6% over the last 52 weeks. The total return, including dividends, is some 4 percentage points higher. With an improving economic picture and with lower inflation rates taking the edge out of alternatives like real estate, it may not be long before equities, once again, trade in the upper end of their six month range.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	-2.1	-2.1	-0.4	-1.9	-3.1	-3.1
in last 52 weeks	9.6	11.0	5.7	9.1	3.8	12.4

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	-2.9	-0.9	-0.9	-1.3	-3.0	-2.9	-1.8	-1.5	-1.2	-1.8	-1.4	-2.3
in last 52 weeks	12.5	14.5	16.5	27.0	6.0	22.4	22.0	18.8	14.0	23.1	21.5	2.9

[1] Based on sales

[2] A stock's sensitivity to overall market movement. High volatility issues have wide price fluctuations; low volatility issues are more stable.

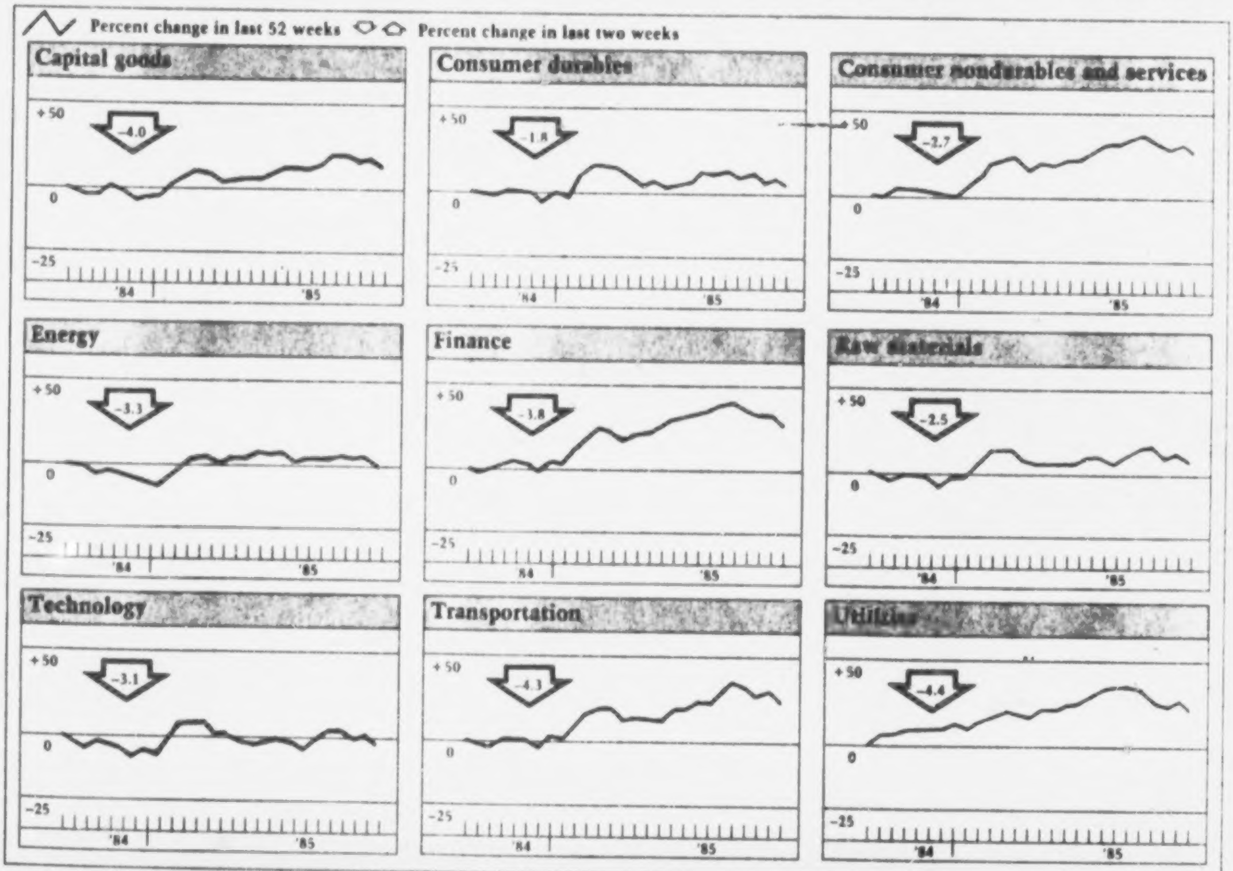
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 9/13/85. Prepared by Wilshire Associates, Santa Monica, Calif.

Where The Action Is

Losers, not leaders. All nine Wilshire sectors fell during the last two weeks. Utilities, the poorest-performing group, lost 4.4%, while consumer durables shares declined only 1.8%. Over the last 52 weeks finance shares show the best performance, a gain of 22%. Transportation, utility and consumer nondurables shares show year-to-year gains in the mid-teens. At the moment none of these groups appears ready to lead the next leg of the market.

Acquisition battles provided a few bright spots. Richardson-Vicks, for example, a member of the consumer nondurables sector, posted the sharpest two-week gain, a rise of 33%, when it rejected a $1.2 billion offer from Unilever. SCM, a food and office equipment stock, gained more than 8% while fighting off the Hanson Trust bid.



What The Analysts Think

Higher forecasts for cheap stocks. During the last two weeks security analysts nudged up their 1985 earnings projections for utility and finance shares. At 7.7 times estimated 1985 earnings, utility issues are tied with consumer durables issues for the lowest projected multiple. In third place on the bargain counter: finance shares.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.31	11.6
1985 estimates	3.87	9.9
1986 estimates	4.47	8.6

Rank based on change in estimate	Sector	Estimated 1985 EPS	P/E	% change in 1985 estimate in 2 weeks	in 4 weeks
1	Utilities	$3.36	7.7	0.43%	0.09%
2	Finance	3.18	9.7	0.09	0.05
3	Consumer nondurables	2.41	12.5	-0.12	-0.31
4	Transportation	2.58	10.2	-0.30	-2.03
5	Technology	2.54	12.8	-0.35	-2.54
6	Energy	3.48	8.1	-0.50	-1.47
7	Consumer durables	4.87	7.7	-0.71	-1.74
8	Raw materials	1.91	12.7	-1.12	-2.77
9	Capital goods	2.81	10.5	-3.71	-5.08

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 9/13/85. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

OCTOBER 21, 1985 THREE DOLLARS

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Forbes

THE NEW GARBAGE BUSINESS

MONEY IN, MONEY OUT

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Forbes

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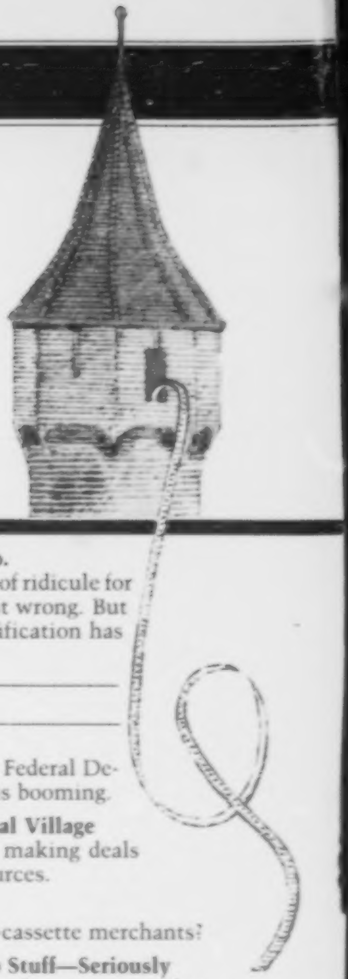

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Can Ford survive the next auto downturn? Yes, but maybe just as an American company in name only.

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The old joke was that the company's initials stood for "Fix it again, Tony." The joke no longer makes a point, *grazie tanto*, and, pressed at home, Italy's Agnellis are now moving abroad—for both capital and expansion.

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Frank Lorenzo's former employees have set out to run an airline as well as he does, but is pride enough?

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If you want to watch the real pros adjust to the tax changes, just watch Bear, Stearns, one of Wall Street's most successful private partnerships, as it prepares to go public and raise some $188 million.

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Comsat, the investor-owned satellite utility, has sold its losers. Can it replace them with winners?

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Mighty Exxon Corp. has taken a raft of ridicule for attempts at diversification that went wrong. But let the record show that one diversification has turned out right.

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First it was doctors, then directors, then accountants. Are actuaries next on the malpractice hit list?

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For years the SEC has been encouraging companies to make earnings forecasts. Here's why few have listened.

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146 Vroooooooom$
Competing on price alone is dangerous to an automaker's financial health. That's why the industry is probably spending more on advertising this year, about $2.5 billion in total. Also: Gannett Outdoor's billboard war.

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For all its elegance, number theory couldn't design a bridge or balance a budget. Now that is changing. Also: Computerized building management; "third-party" computer maintenance.

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Cover illustration by Barrett Root

Trends

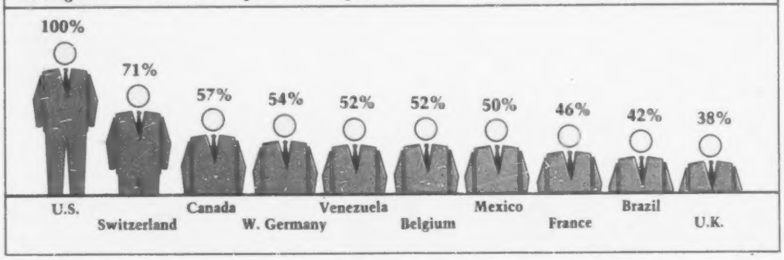
Edited by John A. Conway

Yes, ma'am, no, ma'am

Are men comfortable working for a woman? Are women? A report by two Texas researchers, Kris Moore of the Baylor business school and Charlotte Sutton, a doctoral candidate at Texas A&M, concludes that while men are considerably more at ease than they were 20 years ago, women chafe under female supervision. Writing in the *Harvard Business Review*, the researchers, who surveyed 786 executives, commented that "problems are particularly likely to arise when a younger woman supervises an older woman." They saw two possible reasons. One was that female executives might demand more of women than of men, sparking resentment among those who expected a feminine boss to be supportive. Another was the limited number of executive openings for women, which could cause fierce competition on the distaff side. The report, which compared results with a 1965 survey, found that male resentment had cooled—41% disliked woman bosses then, compared with only 5% now. The difference in pay, as ever, was a sore point. Most women, but only a third of the men, thought female executives "invariably" earned less. The Texas researchers claimed evidence that this is so. "Almost 48% of the men surveyed earn more than $100,000, whereas only 10% of the women have six-figure salaries."

Chiefs and Indians

Corporate chiefs are treated well in any country, but in the U.S. the treatment is royal. Total cash compensation—salary and bonus—paid to a chief executive running a $100 million U.S. corporation or division averaged $210,000 a year in 1984, at least twice the pay of counterparts in 13 of 19 countries examined by Towers, Perrin, Forster & Crosby, the New York City-based management consultants. A comparable British CEO, for instance, earned 38% of the American's salary; one in France, 46%; a West German, 54%; a Canadian, 57%. Closest to the American standard was Switzerland, where a CEO commanded 71% of the U.S. executive's salary. Even some Third World executives outdid the British, noted Robin Holloway, a TPF&C vice president and managing director. In contrast with the U.K., for example, a Venezuelan CEO earned 52% of the U.S. average and a Brazilian, 42%. Holloway thinks supply and demand can explain the differences. "Qualified local executives are scarce and in demand in Latin America," he says. "Hence they command higher compensation than the economy appears to warrant." And what was good for the chiefs applied to the Indians. A manufacturing worker in the U.S. averaged $12.82 an hour, highest for all 19 countries measured. The range was from Brazil, where a worker made 9% of the American paycheck, to Canada, where the average was 90%.


Average CEO total cash compensation as percent of U.S.

Corporate pay scales around the world
The news is good for both the chiefs and the Indians.

Conference by computer

Teleconferencing, once touted as the coming thing in communications, is still having trouble making connections. The main problem is expense. Renting a video teleconferencing room, for example, can cost up to $1,000 an hour. Also, the systems generally transmit only voices and pictures—no data. Travelers Insurance Co. wanted interoffice teleconferencing and brought in a couple of computer whizzes, brothers Gary and Neil Lewis of New York, to develop it. The result: hardware, software and a system that hooks up Travelers' Hartford, Atlanta and Orlando offices via an existing IBM computer network at a cost of $60 per hour for an average of four hours a day. Along with live data, it transmits still pictures; voice is added by phone. To exploit the idea, the Lewises formed American Video Teleconferencing Corp. to market it to the more than 2,000 companies, subsidiaries and organizations with IBM mainframe computers connecting various cities. (They will pay royalties to Travelers for any systems sold.) The company raised $1.6 million for 900,000 shares in a public offering in June. The Lewises say they are talking to several potential customers, but only Travelers has signed so far.

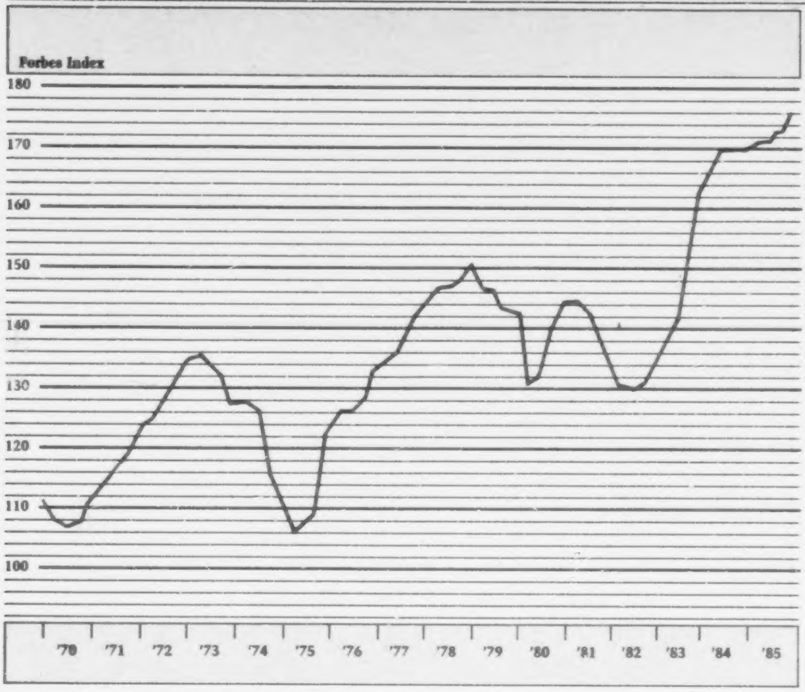
A gift from OSHA

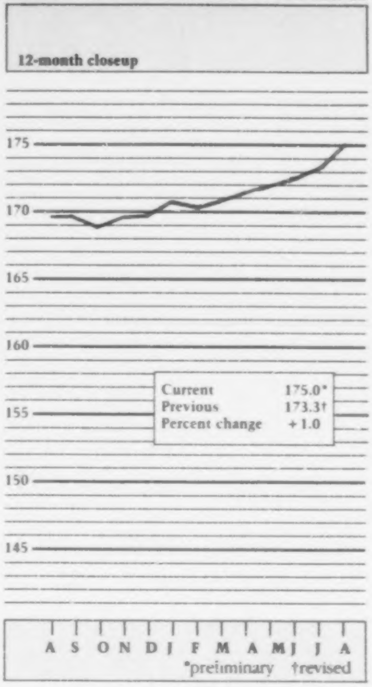
The newspaper reader's pet peeve—ink that rubs off on fingers and clothing—may soon be a thing of the past. And the credit goes to the much maligned federal Occupational Safety & Health Administration (OSHA). Effective Nov. 25, a new OSHA "hazard communication standard" will require that any material containing more than 0.1% of a substance considered dangerous must carry a label stating the risk. The standard says that some untreated naphthenic oils, which make up 60% to 90% of printing inks, have been found to cause skin tumors on test animals. To head off potential uproar from printing unions and readers, newspapers are switching away from the old inks, and ink manufacturers are rewriting their formulas. The benefit will be that the new inks will eliminate or greatly reduce the ruboff nuisance. The drawback is that they will cost perhaps 75% more than the old blends, and ink makes up about 1% of the costs of newspaper publishing.

Another garbage solution?

The U.S. has 15,000 municipal garbage dumps, many of which must eventually close, either because of limited capacity or because they do not comply with federal Environmental Protection Agency standards. *(See story, p. 120.)* Garbage-to-energy has long been ballyhooed as the answer, but only a handful of such plants are

The Forbes Index





Current 175.0*
Previous 173.3†
Percent change +1.0

*preliminary †revised

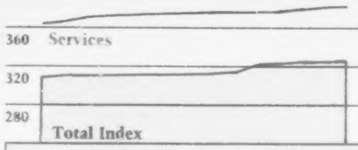
A day of reckoning may be ahead. Economic activity has picked up, but consumers could run out of money. Consumer installment credit is up 0.9% from the previous month, up 15.7% from a year ago. Consumers may soon be forced to pay off their credit cards rather than increase their purchases of goods and services.

For now, however, the economy is rolling. The Forbes Index shot up 1%, to a new record high. Industrial production registered a small gain over month-earlier results. There was a 0.6% month-to-month rise in personal income, which now stands 6.4% higher than it was 12 months ago. Meanwhile, the Consumer Price Index gained only 0.2% from the previous month and 3.4% over the last year.

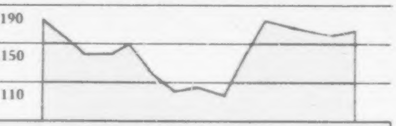
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

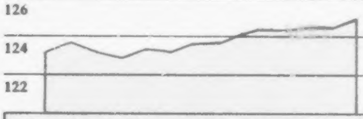
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



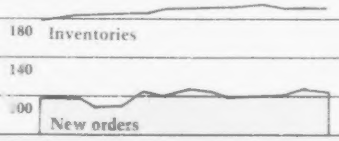
Consumer price indexes (1967 = 100)
all urban consumers, unadjusted (Dept. of Labor)



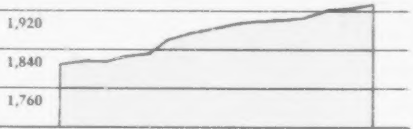
New housing starts (thousands)
privately owned, unadjusted (Dept. of Commerce)



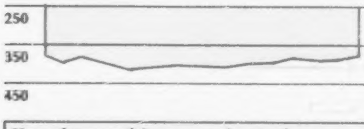
Industrial production index (1967 = 100)
seasonally adjusted (Federal Reserve)



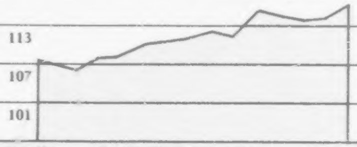
Manufacturers' new orders and inventories
($billions) seasonally (Dept. of Commerce)



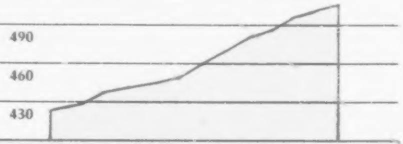
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month
(thousands) seasonally adjusted (Dept. of Labor)



Retail store sales ($billions)
seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions)
total, seasonally adjusted (Federal Reserve)

J A S O N D J F M A M J J A   J A S O N D J F M A M J J A   J A S O N D J F M A M J J A

Think of a job that nobody could pay you enough to do, and plunge right in. At first the hours will be inhuman and the work will probably be unromantic, but you'll be your own boss. Welcome to the wonderful world of small business.

Do you really want to be your own boss?

By Richard Greene

DAN JONKHOFF STILL remembers the day 27 years ago when he startled a kindergarten classroom filled with assembled parents by standing up and announcing proudly that he wanted to be a funeral director.

That shouldn't really have startled anyone. Jonkhoff's father, grandfather, great-grandfather and great-great-grandfather were funeral directors. On a maple-lined street a couple of blocks from downtown Traverse City, Mich., Jonkhoff, now 32, and his 57-year-old father run a funeral parlor in a 100-year-old, 40-room mansion.

What the business really nets is known only to the Jonkhoffs and their accountants, but the family lives well by the standards of this small town, drives good cars and is well respected. Unlike their autoworker neighbors and customers, they don't have to worry about being laid off. And in the end, they own a recession- and inflation-resistant business, not just a dubious pension. There is a price: "My Dad or I are always here, at all times," says Dan, whose younger brother Tom is just starting work at the parlor. "Twenty-four hours a day, 365 days a year. That's how this business has to be run."

Marc PoKempner

Jack Jonkhoff and heirs to his funeral parlor, sons Tom (left) *and Dan* (center)
A recession-resistant instead of a dubious pension.

When Americans think of small business today, they tend to picture the daring 25-year-old entrepreneur who takes an M.B.A. and a new idea for a videogame and turns them into a Mercedes in the driveway and a yearly trip to the islands. But Silicon Valley-type businesses are only the glamour side. Most small businesses are just that: small, limited in scope, and hard, hard work.

Middle management is practically nonexistent in this territory. Owners are more frequently found on the factory floor or in the kitchen or at the cash register than behind walnut desks. They'd better be. There's such a thin line between success and failure that goldbricking employees or a manager with his hand in the till can easily push you over that line. Equally important, since you rarely have a unique product or a technological edge, the constant presence of the boss and the superior service that results are often the competitive edge these outfits need to compete with larger firms.

The Small Business Administration defines small businesses as those with fewer than 500 employees. But for every 1 with over 100 employees, there are 46 with under 20; of the 5 million or so establishments with employees that meet the SBA's criteria for small business, 3.9 million have between 1 and 19 employees (including the owner and his family). Moreover, although more of these firms start up every year than fold, 8 of 10 go out of business within ten years. The odds of any of them turning into an Apple Computer are almost nil.

Forget the glamour stories of the guy who started in a garage and ended on top of the world. The reality of small business is quite different. Even the real success stories in this area lack that taste of glitz and glory that popular literature claims is the hallmark of small business today.

Take Clifford Evans, president of Raritan, N.J.'s Henderson Corp., a construction company *(see box at right)*. He has 70 year-round full-time employees, but he still spends most of his time at sites and is not above turning off the office lights when he goes home at night. Or Morey Moss, a Florida wholesale florist who frequently puts in Saturday or Sunday at the office—sometimes both. "If you have a big wedding and the roses are the wrong color, you'd better make good," he says.

Or take the Zehnder family, which runs Frankenmuth's Bavarian Inn in Michigan. "Every day I see my wife in the kitchen," says paterfamilias William Zehnder Jr., "and I ask her what's she doing, and she says she's changing a recipe. She'll say, 'The squash came in today a little watery, and so I'm fixing the recipe so it won't come out watery.' "

According to SBA statistics, small companies were responsible for 948,000 new jobs in 1981 and 1982, the latest years for which statistics are available. That equals the entire net increase in the U.S. work force in those years. But, contrary to popular belief, most of these jobs have not come from businesses in hot, fast-growing new fields. The vast majority of the successes among small businessmen are people like Zehnder, Moss and Evans who haven't discovered any magic formula or moved in on a new concept. They thrive in mundane, old-fashioned businesses, the type you would expect to see swallowed by the first big competitor on the block.

For example, mom-and-pop business is alive and well in automobile repair, where both K mart and J.C. Penney beat a hasty retreat. Take a look at the list of industries still at least 60% dominated by small businesses, according to the SBA. Nary a one doesn't include some giants: residential building contractors, public warehousing, hardware stores, bakeries, new and used car dealers, auto and home supply stores, women's ready-to-wear stores and furniture and home furnishing stores.

Some more? Household appliance

Human oilcan

Cliff Evans, president of The Henderson Corp., a construction company in Raritan, N.J., says he thinks of himself as an intelligent oilcan. "I have to keep looking for whatever piece of the business is rusty or needs lubrication," he says. "Recently I was hovering close to the estimating group. Next I'm going to start squirting myself into the marketing department."

With sales of about $75 million and 70 full-time year-round employees, Henderson is at the extreme upper range of small business. It has put up buildings for such companies as Schering-Plough, Becton Dickinson, Squibb and Johnson & Johnson, going *mano a mano* with giants like Bechtel. Evans, an articulate man with a dry wit, has been with Henderson for about 11 years, and he and his partner, Ed House, are in the last stages of paying off their buyout from founder Paul Henderson.

Getting a founder to give up his child is a touchy business. "As the lawyers endeavored to put [the deal] on paper, an atmosphere of potential hostility began to develop," says the Cornell-educated Evans. "So we said, 'Screw this,' and threw the papers out and shook hands."

Evans insists that a similar trust between his firm and his subcontractors is what has allowed Henderson to compete successfully with big contractors for local jobs. "Subcontractors are, for the most part, a greedy bunch of dogs yapping at the general contractors' heels," he says. "So you can always play them off against each other. But we have a reputation for treating them fairly and paying them promptly. The big contractor may not have that reputation."

Proud though he is of the advantages of smallness, Evans admits he will have to change some of his ways. Take marketing. "We used to give a potential client a list of past clients, tell him to pick three at random and call them. That system doesn't always sell the job anymore. The biggies bring in a dog and pony show, with sound effects and visual aids, and they dazzle clients." Evans will have to follow suit, but he knows that slick audiovisuals are no substitute for the personal touch.—**R.G.**

Joyce Ravid

From left: Henderson Corp.'s Cliff Evans, Paul Henderson and Ed House
"We threw the papers out and shook hands."

Patricia Barry Levy

Father Earl Barker and son Roderick of Durango, Colo.'s Strater Hotel
Bosses who go around dusting the counters.

stores, eating and drinking places, drugstores, liquor stores, insurance agencies, real estate agencies, hotels and motels, laundry services, beauty shops, funeral services, advertising, credit reporting and collecting, wholesale electrical goods, wholesale machinery, equipment and supplies, wholesale chemicals, medical and legal services, and nursing and personal care facilities.

Yet these millions of small businesses must survive in a jungle where giant beasts prowl. McDonald's and Pillsbury's Burger King have killed thousands of small luncheonettes. Independent pharmacists are struggling to keep up with the one-stop-shopping techniques of such big chains as Rite Aid or Eckerd Drugs. Independent bookstores have been pushed aside by the likes of K mart's Walden Book Co., which can undersell the independents by 30%.

Undercapitalization is more of a hazard than ever. Five years ago there were nearly 300 machine shops making small metal parts in the Detroit area. With computers now almost a necessity in that line, the number has shrunk to 200. The lumber business in the Northwest is no different. "The small privately held lumber mills have been gobbled up by the majors," says Stanley Geffen, managing partner of Laventhol & Horwath's Portland office. "The small operators don't have enough capital to get through the bad times."

Indeed, opening the doors of a small business is like unlocking a Pandora's box of ulcer-producing problems. Have you tried to get a telephone put into your home lately? Imagine what it's like to arrange for an officeful of

'Tennessee government never rains on our Parade.'

Carlo Vittorini, Diversified Printing Corp.

"Parade Magazine's move to Tennessee was profitable from day one.

"Corporations receive a one percent tax credit and pay no sales tax on industrial machinery. There's no state property tax in Tennessee. And our employees pay no state income taxes.

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Let Michael J. DuBois tell you more. Contact him at Economic & Community Development, 320 Sixth Ave., N., Suite 807, Nashville, TN 37219. 1-800-251-8594.

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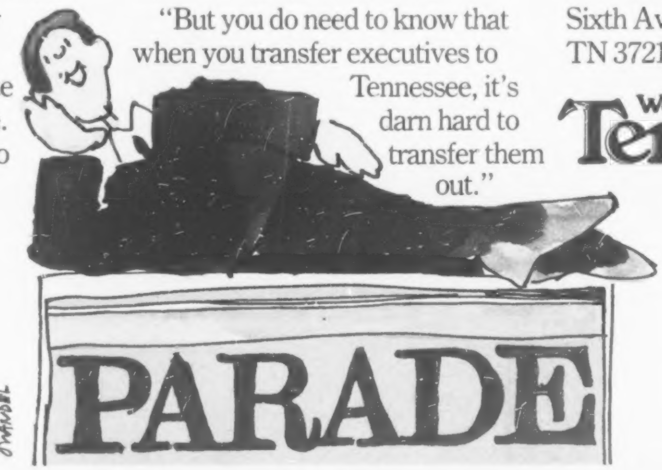

Where the action is and isn't

In Washington the Small Business Administration's idea of "small business" is any enterprise employing fewer than 500. That's a long way from family-run funeral homes and such, but there you are. The SBA does keep track of all sorts of businesses, though, and its data on success and failure are revealing. Here, two interesting summaries.

First, ten fields dominated by small businesses where the SBA says the failure rate is lowest.

Second, the ten small-business-dominated fields that grew the fastest, as measured by employment, from 1983 to 1984.

Fields for the faint at heart . . .

Industry	Failures per 100,000 in 1983
Funeral services and crematoriums	10.9
Wholesale tobacco and tobacco products	22.6
Fuel and ice dealers	36.2
Laundry, cleaning and garment repair	38.0
Drugstores	39.7
Hotels	40.4
Wood products	44.7
Personal services (secretarial, consulting, etc.)	45.2
Beer and wine wholesalers	45.7
Service stations	46.2

. . . and for follow the leader

Industry	Increase in employment from October 1983 to October 1984
Radio, TV and miscellaneous stores	20.8%
Computer and data-processing services	18.8
Inner-city highway transportation	18.8
Roofing and sheet-metal work	18.8
Masonry, stonework and plastering	16.3
Painting, paperhanging and decorating	14.7
Carpentry and flooring	14.5
Transportation services	14.0
Highway and street construction	13.9
Miscellaneous retail stores	13.8

phones and maybe a switchboard. Insurance, utilities, licenses, periodic lawsuits, advertising, paying off the appropriate local officials—the headaches don't stop, and the small businessman has to deal with each one himself. In urban centers crime is a problem. Liquor stores, for example, used to be a nice business for an aging man and his wife. No more.

In cities like Boston, San Francisco and New York, owners looking to renew five-year leases are facing overnight rent hikes of 40%. Then there's the increasing complexity of tax laws and government filings, which can cost $5,000 to $10,000 a year in fees to specialists like tax accountants. Gone are the days when your Uncle Max could pay his bills out of the cash register at the end of the week and live on what was left.

Want heartbreak? You work all your life to build something for your kids, and the cherished child returns from college with a diploma and a disdain for the family business. He wants something nice and clean with regular hours. How many M.B.A.s want to be undertakers?

Success itself can be a booby trap. Growth probably kills as many small companies as undercapitalization. "You start to develop a hierarchical structure, you begin to get specialists," says Clifford Evans of Henderson Corp. "Pretty soon you have Department A passing things on to Department B. You have fewer people who feel responsible for *the* job instead of *their* job. There's some critical point, and I don't know where it is, when top management becomes concerned with running the company rather than running the project."

So why, despite huge odds and problems, do some small businesses succeed nicely? What's the difference between those that fold up as soon as a big-name competitor moves into the neighborhood and those that hang on indefinitely or even drive the big name into submission?

In some cases the answer is that major suppliers or customers want it that way. Ford and GM wouldn't relish negotiating with anyone who owned all the automobile dealerships in Illinois, say. For the same reason, the airlines provide flight information to any travel agent who can afford a computer terminal. General Electric is well known for fostering multiple sources for partsmakers and other subcontractors. GE will even provide technical knowhow to help keep a struggling manufacturer afloat.

Sometimes it's just a matter of doing it better than the big guy. Take Bob Mills, president of tiny Mills Products, Inc. of Detroit. General Electric is about 2,000 times its size, but Mills says he produces 40% of all the glass windows for ovens that GE (and other manufacturers) sell in the U.S. Why doesn't GE do it all in-house? Believe it or not, it can't make an oven window that is more leak-resistant, heat-resistant and price-competitive than Mills'.

About 20 miles away is J.L. Schroth, which makes rubber parts for automobiles. Says its founder, Jim Schroth, "I got a call on a Wednesday from an engineer at Ford who needed a little part shaped like a strawberry. I got the company next door, which does prototype stamping, to make part of the thing up. My toolmaker put all the people he needed on it, and I delivered the parts to Ford on Friday. It would have taken them weeks."

Other small businessmen survive because they are effective in exploiting their own lack of bureaucracy. In Madison Heights, Mich., Henry Brasza's H&L Tool Co. was almost totally dependent on Detroit's Big Three for sales of its screw machine and cold header products. So when General Motors went on a 71-day strike in 1970, says Brasza, "I got out and pounded on doors. And that's how we got the idea of breaking into the Canadian market. Now we ship a lot of parts to Canada, and they're paying American dollar prices because of the quality and the good delivery."

Henry Brasza is proud of the fact

that since he founded his business in 1946 he has never laid off anyone. Of course, of his 75 employees, 7 are family—a wife, daughter, son-in-law, brother and 3 grandchildren ("I started my grandson cleaning the urinals," he says proudly, as his grandson blushes). When times are hard, "We clean the machines, check the machines out, paint the building, anything," he says.

Not surprisingly, Brasza's shop is nonunion, and that's true of the vast majority of mom-and-pop businesses. To get good help they often pay competitive wages, but they get a lot more flexibility from their work forces than union shops do. A small company can't afford to have an electrician who won't pick up a hammer or a machinist who won't push a broom from time to time.

That means the owner must be cheerleader as well as manager: Virtually all the small businessmen FORBES talked to said motivating their workers is the most important job they do. "When your employee sees you busing a table or clearing a plate, it's hard for him not to follow," says Roderick Barker, who, with his father, Earl, runs the historic Strater Hotel in Durango, Colo. "When the boss goes around dusting the counters, it shows pride in the place, and the employees become proud of it, too."

Small firms are not always at the mercy of big ones. "An independent appliance dealer can be profitable making $65 on a $350 television set," says Stephen Kesh of accounting firm KMG Main Hurdman. "But the national chain applies administrative costs to that $65 and loses money."

In other cases, small firms compete by banding together. That has been the key to survival for independent hardware stores, which account for virtually all the outlets in this $10.3 billion market but are hard-pressed by do-it-yourself chains, such as Scotty's, Lowe's and Sears. Cooperative buying groups, such as Hardware Wholesalers, Inc., allow them to get competitive wholesale prices.

Florists, too, can function as though they were part of a national corporation through the 75-year-old Florists' Transworld Delivery Association—FTD. Call a florist in Des Moines and you can have flowers sent to Houston in a matter of minutes, just like a national chain. Rod Barker's Strater Hotel belongs to the Association of Historic Hotels of the Rocky Mountain West, a 16-member group that also includes the Franklin Hotel in Deadwood, S.D. and the Irma Hotel in Cody, Wyo. Each member pays $300

"You know my name"

It's after 6 p.m., and Sanitary Dry Cleaners of Laconia, N.H. is closed for the night. But every time somebody comes to the door, proprietor Pamela Swenson or her husband, Paul, who happens to be visiting the store, jumps up and answers it. Who knows? It might be a new customer.

"There's this little lady about 75 years old who travels about a half-hour from Concord to do her dry cleaning with us," says Pamela. "She likes pleats down the side of her jacket, which most people don't, and we know she likes the plastic garment bags folded and stapled at the bottom because she's worried about dust. And we know what to talk to her about, so she likes spending a little time with us, chatting with us."

Pamela Swenson is one of the 3 million U.S. women who now own and operate their own businesses. In 1982, anticipating college expenses for her two daughters, she decided it was time to start contributing to the family till. She bought Sanitary Dry Cleaners, which has a cleaning plant on the premises, from a neighbor.

Unfortunately, they got into the business when interest rates were running at about 14%. Says her husband, a local accountant, "In the beginning, we were just getting by with the note payments, and Pam kept asking me about a salary, and I kept saying, 'You're building equity.' But now she can take out a salary that's better than she could earn if she were working for somebody else in this area."

Nobody's going to get rich from Sanitary Dry Cleaners. But it's a living, and it has its triumphs. "There's another dry cleaner down the street," Pam says. "And it is much more convenient for one of my customers because it's just a block and a half away from where he lives. But he started coming in here. I asked him why and he said, 'I've been going to that other place for six months, and all I get is a hello when I walk in the door. You know my name.' "—R.G.

Richard Howard

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Stacey, Pamela and Erica Swenson of Sanitary Dry Cleaners
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One out of every 5 FORBES subscribers is a millionaire

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Is the battle for survival worth the price? For the small businessman who makes it, the rewards can be substantial. "Some of my clients have net worths into the millions," says Walter Bernard, a partner with accounting firm Seidman & Seidman, who works with small suppliers to the auto companies. "They make more than senior executives of the Big Three."

Then there's that great unmentionable benefit, tax—or rather nontax—advantages. Small businesses are likely to leave less of a paper trail than big ones and are less likely to be worth the IRS' time. Who's to know what the real income is of a cash business such as a restaurant or a dry cleaner? Every year at audit time, there's a thriving business in lower Manhattan in out-of-date calendar books; call it ex post facto accounting.

Don't come home every night and relieve your tension on the family. Instead of telling them what a rough day you had, tell them how good it feels to be your own boss. . . .

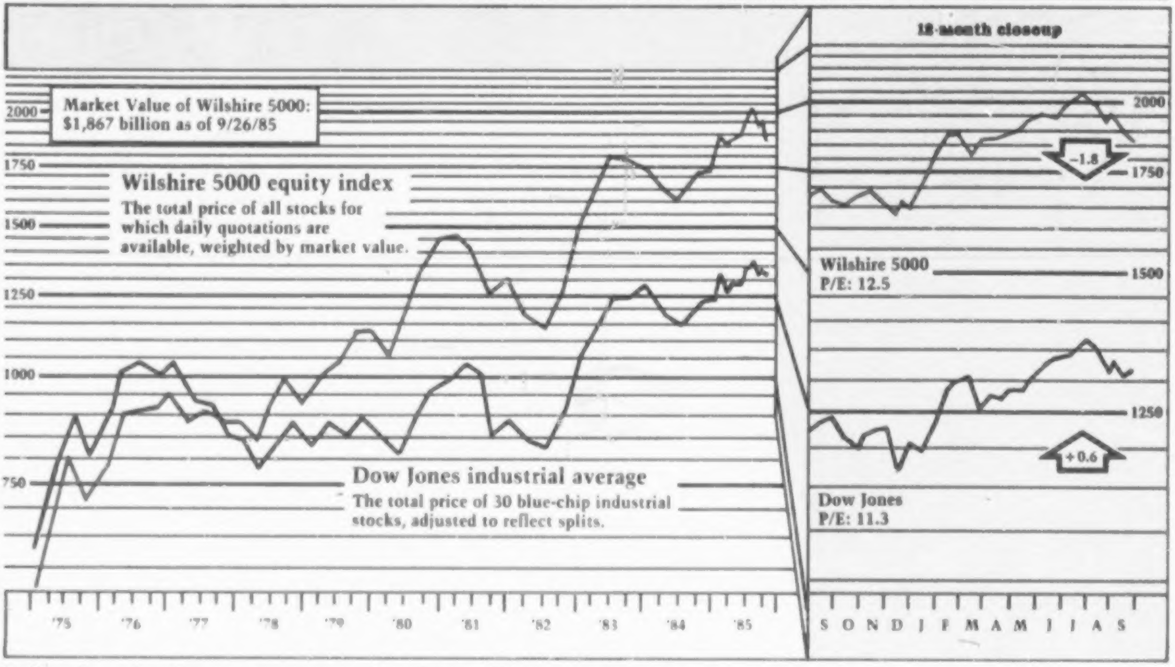
The advantages, however, don't come cheap. "Take any small Chinese restaurant," says Ernest Ten Eyck of Laventhol & Horwath. "If you added up all the hours that family puts in, they're probably making less than $1.50 an hour apiece. Even McDonald's can't operate cheaply enough to compete with that."

And so it is that small businesses are starting in the U.S. faster than they are folding. Educated youngsters no longer shun the field the way they once did. Some of the newer fields that attract them: mail order, advertising agencies, consulting, personnel agencies, health care businesses and computer services.

By the way, if you are a small business person and don't want your kids turned off on the family enterprise, Cleveland consultant Leon Danco has some advice for you: Don't come home every night and relieve your tension on the family. Instead of telling them what a rough day you had, tell them how good it feels to be your own boss and what satisfaction you received from landing a big new order. "The biggest mistake a lot of small business people make," he says, "is that unintentionally they poison their kids against the business." ■

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Dollar plays. On the announcement that the world's central bankers were getting together to push down the dollar, the Dow rallied 18 points in a day. Just as promptly, it marched down again. So, the market remained essentially directionless. Perhaps sensibly so, because no one can be sure what—if anything—the announced collusion will accomplish. U.S. exporters hope that a lower dollar will boost their sales abroad and weaken their competition in the domestic market. But a weak dollar doesn't necessarily make for strong stocks. A weaker dollar would also curtail the inflow of foreign capital going into U.S. stocks. The Wilshire index of 5,500 stocks fell 1.8% during the latest two weeks. The narrower Dow did close the two-week stretch 8 points higher. But this indicator was propped up by Philip Morris' $120 buyout offer for General Foods. The NYSE fell 1.4%; Nasdaq, 3.4%; and the Amex, 2.1%. Without takeover activity, the stock market could as well shut up shop.

Closeup On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	–4.5	–4.1	–1.1	–4.2	–5.3	–5.8
in last 52 weeks	9.4	11.1	8.5	9.0	3.3	12.0

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	–4.9	–4.8	–5.2	–2.7	–6.2	–4.6	–3.3	–4.9	–5.3	–3.2	–3.2	–6.5
in last 52 weeks	12.2	11.0	15.0	24.7	4.8	19.0	18.8	17.5	11.4	21.0	21.2	–0.3

[1] Based on sales.
[2] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

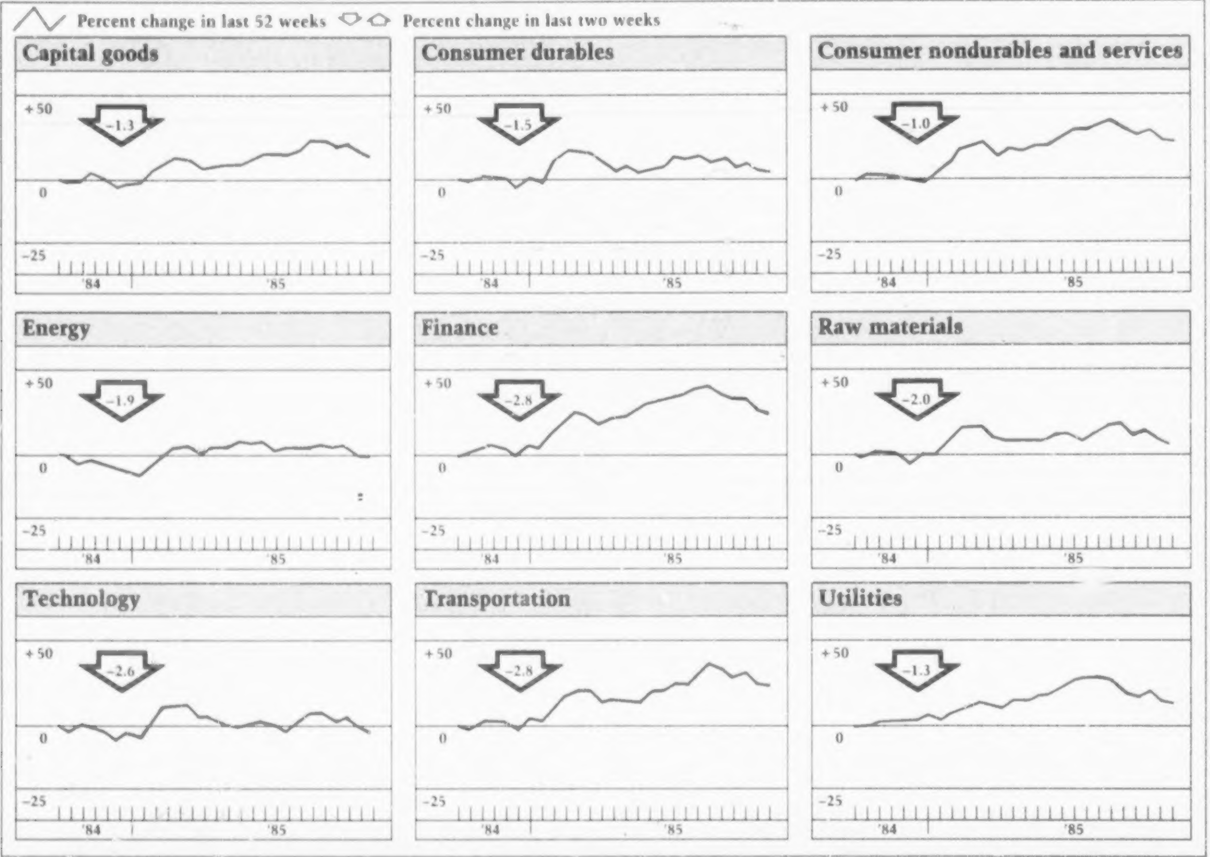
Note: All data for periods ending 9/26/85. Prepared by Wilshire Associates, Santa Monica, Calif.

Where The Action Is

Hard landing. Transportation shares dropped 2.8% in the recent two-week period. Leading this group downward were the airlines, which responded negatively to Wall Street's projections of lower earnings for several major carriers. Eastern Air Lines, hardest hit, fell 14%.

Finance shares fared as poorly as transportation issues. The worst performer, Citizens & Southern, a Georgia-based bank holding company, lost nearly 19%. Investors were concerned about earnings dilution from two recent acquisitions: Landmark Banking, and Citizens & Southern National Bank of South Carolina.

The consumer nondurables sector, down 1%, showed the smallest loss. But this group was propped up by the takeover offer for General foods.



What The Analysts Think

A gloomier outlook for capital goods. Analysts are cutting 1985 earnings estimates virtually across the board, but the capital goods sector continues to show the largest cuts in estimates. Forecasts have become especially pessimistic for such industries as machinery, machine tools, machine parts and agricultural equipment.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.31	11.5
1985 estimates	3.84	9.9
1986 estimates	4.44	8.5

Rank based on change in estimate	Sector	Estimated 1985 EPS	Estimated 1985 P/E	% change in 1985 estimate in 2 weeks	% change in 1985 estimate in 4 weeks
1	Finance	$3.14	9.5	0.00%	0.09%
2	Utilities	3.36	7.6	–0.38	0.04
3	Consumer nondurables	2.38	12.6	–0.49	–0.61
4	Energy	3.46	8.2	–0.82	–1.31
5	Consumer durables	4.82	7.7	–1.19	–1.89
6	Technology	2.49	12.8	–1.57	–1.93
7	Transportation	2.54	10.2	–1.71	–2.01
8	Raw materials	1.87	13.0	–2.17	–3.26
9	Capital goods	2.70	11.2	–4.15	–7.70

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continuously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 9/26/85. Prepared by Wilshire Associates, Santa Monica, Calif.; IBES, a service of Lynch, Jones & Ryan, New York.

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Armand Hammer John Murdoch Harbert III Floyd Rogers Hardesty Enid Annenberg Haupt Lita Annenberg Hazen David Whitmire
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The 400 Richest People in America

By Jeff Bloch, Christine Donahue and Peter Newcomb
Edited by Harold Seneker
Illustrated by: John Alcorn

IT HAS BEEN A GOOD YEAR and a bad year for billionaires. The fourth annual listing of the billionaires among The Forbes Four Hundred has seven new names, but five listed last year have lost position, their net worths now reckoned in a mere nine digits. Up, thanks to the year's enthusiasm for media, are the Newhouse brothers (publishing) and John Kluge (broadcasting). Demoted are Nelson and Herbert Hunt. (Their sisters remain billionaires.) Down, too, are oilman Philip Anschutz and computer wiz An Wang. The fortunes of the very rich feel the tides in the economy like everyone else's fortunes.

The pending breakup of the Getty family trusts *(see box, opposite)* has made way for a new leadoff man for The Forbes Four Hundred. Sam Walton, last year's number two, opened his first Wal-Mart discount store 23 years ago in a small Arkansas town. Now, as he nears store number 750, Walton's appearance at a grand opening leads the wire services to report traffic tie-ups. Says the richest man in America, worth $2.8 billion: "All I own is a pickup truck and a little Wal-Mart stock." Something over 54 million shares, actually, with his family, but the humility is well-taken.

Clearly, the wealth of the superrich has not been lying fallow like so many gold bars in a vault. It moves every time the market opens. And every time we take a glimpse into someone's fortune or how it's handled, we find reason to revise our estimates.

This year, again, the combined net worth of The Four Hundred is up. The total by our count is $134 billion, up $9 billion, much of it added by the 64 new entries on the list, a 16% turnover from last year. New research flushed out most of Bum Bright's Texas holdings in oil and real estate. He had been dropped from the list two years ago when his trucking business was most visible. This year he returns as the wealthiest new entry, at $475 million. In Washington, U.S. Senator Henry John Heinz III (R-Pa.) joins newly elected Senator John Davison Rockefeller IV (D-W.Va.) as one of the nation's wealthiest elected officials. Rupert Murdoch also joins the Class of '85; he got his American citizenship in September.

Among the other new entries is what might be called the new "leisure class." It includes such people as Russ Berrie, who made his $185 million from teddy bears and other stuffed animals; Dallas' Bob Dedman, owner of over 100 country clubs; William Bennett and William Pennington, who own casinos; and Stanley Durwood, with his huge chain of multiplex movie theaters. Add also television hitmaker Norman Lear and his sometime partner, Jerry Perenchio. Welcome, too, the grandmother of the Indy 500, Mary Hulman *(see story, p. 340)*.

To make room for all these new or newly discovered fortunes, we bid at least a temporary farewell to some well-known former Four Hundreders, including Robert Vesco, Yoko Ono and Ray Stark. For Vesco, recent reports raise doubt over how much of his stolen fortune has stayed with him down in Havana. Ono and Stark, however, were 2 among 30 who were simply pushed off by fortunes with stronger substantiation. Their wealth hasn't obviously declined below the cutoff of $150 million (unchanged from last year). In 1984 more than 80 people made The Forbes Four Hundred with fortunes of $150 million. This year, there was room for only 45.

We spent a lot of time in Texas this year and dropped nine members of last year's list who were hurt by the oil slide. A few, such as Clint Murchison and Ken and Cullen Davis, probably should have been dropped from The Four

Hundred a year ago, before they entered Chapter 11. Of course, we weren't alone in our overestimates, as many bankers could sadly tell you. The much-publicized financial troubles of the Hunt brothers have reduced that family's fortune, but hold off plans for rent parties: Revelations by the brothers to the press, amended more than a bit by their creditor banks, indicate that the three brothers are together worth some $2.2 billion. But their two sisters, largely unaffected by the 1980 silver debacle, push the first family of H.L. Hunt up to an estimated total of $4.9 billion.

Trips to Wilmington, Del. and a long look at a family tree turned up several more members of the du Pont family wealthy enough to be included. A 21% rise in Du Pont stock and other investment gains helped, too. America's richest family now has 33 members on The Forbes Four Hundred, 8% of the list. We also traveled to Denver, Chicago, Kansas City, St. Louis, Pittsburgh and Baton Rouge in our search for new fortunes and new sources of information.

One change not made: Two of the four Koch brothers, Charles and David, who control Koch Industries in Wichita, sent emissaries asking that their listing be severed from Fred and William, their deeply alienated brothers. Now, that's sibling rivalry. The request came too close to press time this year, but we'll review it next year.

Investigating great wealth is somewhat like trying to determine the contours of a sandy beach in between waves. Each wave, fed by diverse currents, changes the outline. It's not always immediately clear how it does so, until a dune collapses or a sandbar suddenly emerges from the water. By our best estimates, this is how The Forbes Four Hundred looks for now. Until the next wave crashes ashore. ■

Who moved the most?

With media properties at record-setting prices, it's no wonder many big gainers this year were in broadcasting and publishing. The biggest gainer was John Kluge: He made a deal to sell all seven of his prime Metromedia television stations to newly listed Four Hundred member Rupert Murdoch. Murdoch offered a bona fide $2 billion for those properties, thereby increasing Kluge's visible net worth 233%, to over $1 billion. Murdoch was the buying force behind another big gain: 12 business publications from William Ziff for $350 million, raising Ziff 116%, to over $650 million.

Media made billionaires out of three other members this year. Warren Buffett became a billionaire when Capital Cities' acquisition of ABC prompted a 57% jump in Buffett's Berkshire Hathaway stock. Higher media values helped put brothers S.I. and Donald Newhouse in the billionaire class, but their $700 million jump also came from new information gathered about their Advance Publications. Former Ambassador Walter Annenberg moved up by 94%. Information about stock holdings and his enormous art collection was combined with a new valuation of his Triangle Publications—with *TV Guide* still among the nation's most profitable publications. The rising value of that company put his five sisters back on The Four Hundred after a year's absence.

Other big gainers included the Mars family. Further investigation into Mars, Inc. justified an increase of 75% in the family's estimate, to over $2.6 billion, or $875 million each. A trip to Baton Rouge revealed that our estimation of Claude Pennington's oil reserves was much too conservative. Our estimate of "Doc's" net worth increased 200% this year, putting his fortune at $600 million.

The biggest drop of the year was Gordon Getty's decline from $4.1 billion, the top of last year's list, to just under $1 billion. First came the IRS tax bill from last year's sale of Getty Oil to Texaco, reducing the Sarah C. Getty trust by $1.1 billion. Then Getty tentatively agreed to give up sole control over the trust, settling a suit by other Getty heirs by dividing control among four branches of the family. The lawyers tell us, however, that the widely publicized agreement has yet to become final. For now, we're giving Gordon the value of his share of the trust. His older brother, Eugene, debuts this year at a minimum net worth of $150 million, based solely on his dividend income over the years. If and when the court agreement to divide the trust goes through, Eugene will presumably control a new trust vaulting him up with his brother into the high nine figures. Other Gettys also would join The Four Hundred.

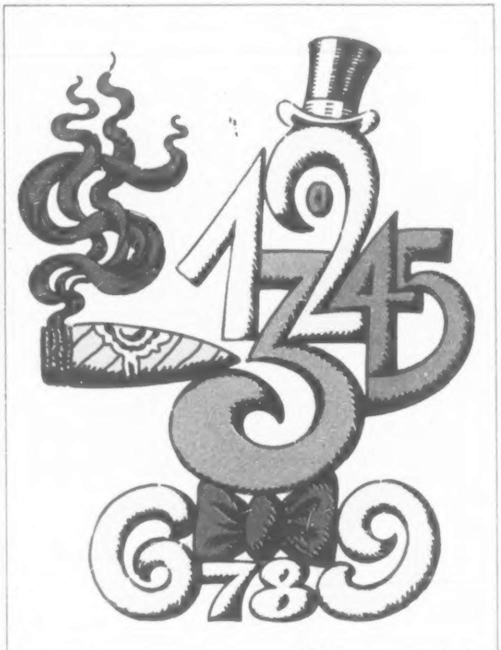
The stock market once again played a big role. Leslie Wexner's stock in The Limited is worth twice what it was worth last year, bringing him into the billionaire class. On the other side of the table, An Wang, whose stock in Wang Laboratories was worth $1.2 billion last year, saw his stock slide 40%, knocking him down to $715 million. Another market loser was George Mitchell. His 40% of Mitchell Energy & Development Corp. shares fell to $400 million, down 32% from last year. Two years ago his net worth was over $1 billion.

Market conditions, public and private, weren't the only forces altering our estimates of the fortunes of The Forbes Four Hundred. For example, it appears we overvalued much of Robert O. Anderson's ranch land. Last year's estimate, $400 million, was chopped 50%, to $200 million. Further digging into the often veiled assets of new billionaire Henry Hillman justified our doubling his net worth from last year's $500 million estimation. New leads on conglomerator Charles Dyson prompted us to raise his net worth by 100% as well. And then there's Henry A. Rosenberg Jr., this year a Dropout, thanks to records made public in his divorce. We had credited a large interest in the family's broad holding company to Rosenberg instead of to a third branch of the family, headed by cousin Louis Thalheimer. Court records also indicated the family's fortune was worth over $900 million, up from our $750 million estimate last year.

Conversations with publisher Malcolm Borg's lawyer brought to light new information regarding the trust arrangement of Borg's Macromedia Inc. The 61% interest we attributed to him in our 1984 edition was based solely on the trusts' income distribution. It should have been 100%: We found out Borg alone governs the trusts. Says Borg, "I can remove the bank at any time I see fit." This revelation helped hoist Borg's net worth by 66%.

The discoveries are endless. Preparations for the 1986 edition of The Forbes Four Hundred have begun.

Rules of the Chase



THE FORTUNES of the very rich are difficult to calculate. Often it isn't even clear exactly who owns a great fortune. It is frequently parked at least partly in the names of the immediate family or concealed in private investment companies or, more difficult to find, in trusts, where the separate elements of ownership (control of principal, receipt of income, power to name heirs, etc.) are deliberately spread among different people to defend against the inheritance tax laws.

To arrive at coherent estimates of wealth, we adopted a number of rules:

- Blocks of publicly traded stock are priced at the market close Sept. 6, 1985.
- Privately held companies are valued according to estimated revenues and earnings and prevailing price/earnings ratios for publicly traded companies in similar businesses.
- When earnings aren't known, we adopt rule-of-thumb conventions widely followed in respective industries. Newspapers, for instance, can be valued at 1½ to 3½ times revenues or 14 to 20 times cash flow, less estimated debt. TV stations, cable systems, radio stations and some newspapers are valued for us by authoritative media brokers.
- In some cases we settle for book value. Among oil producers we often do not go beyond putting fair valuation on their oil reserves, to be conservative. In one or two cases (e.g., Neil Bluhm and Judd Malkin) we were forced to rely on consensus estimates of knowledgeable peers. These are treated cautiously, since such estimates can be unreliable.
- In the matter of trusts and other intrafamily arrangements, we proceed on a case-by-case basis, applying common sense. Most trusts plainly exist to carry out a normal pattern of inheritance (to husbands, wives or offspring) and to minimize inheritance taxes. We look at who controls the wealth. The trusts are generally attributed to the person who created the wealth, if still alive and in control, or to the principal controlling family member or members (and not the family lawyers) if he is not.

Obversely, spendthrift trusts, meant to keep control out of the hands of beneficiaries, are not credited to the beneficiaries. The estimated trust income is so credited, while principal is generally assigned to the controlling family members.

For an example, consider the Getty family. For years, Gordon Getty, as sole trustee of the major family trust (now worth some $3 billion), made all investment decisions—such as selling Getty Oil to Texaco—without any other family members. He also controlled the actual distribution of the trust income for himself, one brother and nieces and nephews.

The principal was never his to bet at the racetrack or spend on wine, women and song, but otherwise his power was nearly absolute, and he already owned more spending money than he could personally use outside the trust. In a practical sense he differed little from the outright heir, properly not spending capital, prudently and responsibly managing a fortune for himself and his family and for their posterity. As the Getty fortune is broken up into several trusts, one for each branch of the family, other family members will acquire similar powers and be included.

Lawyers sometimes say a trust is "owned" by those who ultimately will receive the principal—here, the next generation of the Getty family. But, in fact, the next generation has no power to spend or invest principal or to disburse income to themselves. It is difficult to take such "ownership" seriously—if Gordon's wife were pregnant, the unborn child would, according to the lawyers, be counted as one of the richest people in America. The controlling person's powers may be weakened by the limitations of the trust, but every other party's claim to present "ownership" is far weaker still. Where one family member thus controls a fortune, we count him, despite legal artifice, as the practical owner. Meanwhile, for Gordon's brother, Jean Paul Getty Jr., the same trust is effectively a spendthrift trust—for now, at least, he gets only a portion of the income and has no effective control. Until he becomes a trustee like Gordon—if he does—we count only his accumulated share of the income as his fortune.

Irrevocable charitable trusts and foundations are not counted at all, even in cases like the Pew family, whose immense charitable trusts are used to retain control of Sun Co., the family company.

Wealth in the names of spouses and other immediate family members is generally assigned to the principal family member, especially where the family ties are close and members share an interest in a business. Exceptions are made where family or business ties have been broken or seriously frayed. ■

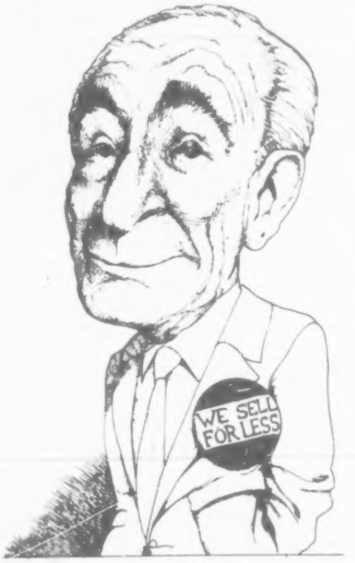
The Forbes Four Hundred

Billionaires

Illustrations by William Bramhall

Sam Moore Walton

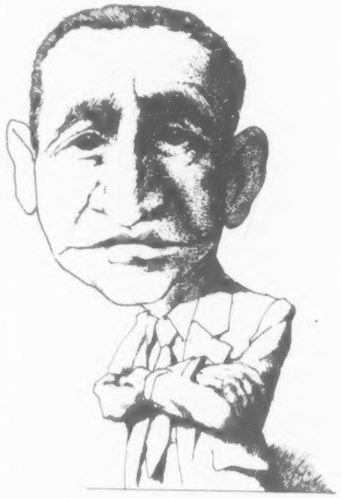
Wal-Mart Stores. Bentonville, Ark. 67. Married, 4 children. Student body president, sold shirts for J.C. Penney after college. Go-getter: "I took 15-minute lunch hours." Influenced by company's concern for employees. Operated Ben Franklin five-and-dime franchises starting 1945. Saw potential in small towns. With brother James opened discount store 1962 in Rogers, Ark. Took 30 Wal-Mart stores public 1970. Now 745 stores, mostly in small Sunbelt towns. Sales, $6.4 billion 1984. Strategy: Saturate small-town markets, watch costs, whip up employee enthusiasm. Leads cheers at company pep rallies. Kept promise: Danced hula on Wall Street 1984 when profit goals were met. "We believe in having fun in our business." Simple lifestyle: drives clunkers, hunts quail. With family owns 39% worth $2.8 billion. Store manager: "I've heard senior executives saying, 'Let's make him the richest man in the country.' "



Sam Moore Walton

Henry Ross Perot

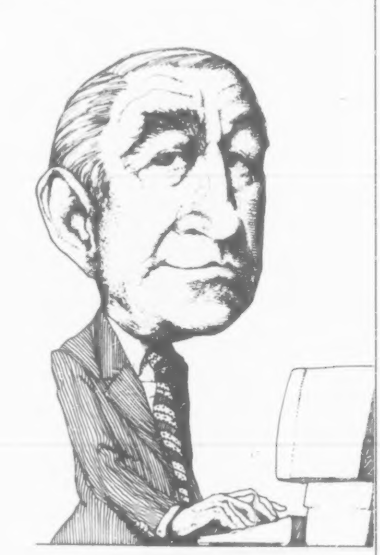
Electronic data management. Dallas. 55. Married, 5 children. Resigned commission on aircraft carrier for IBM sales. Left when exceeded annual quota in 19 days and couldn't sell boss idea: computer facilities management. Founded Electronic Data Systems 1962 on $1,000, renting surplus computer time. Stock boomed, then crashed. Perot's stake fell $1 billion 1970. Company remained unscathed, driven. "People who built EDS . . . focused on a goal and pursued it beyond human endurance." Attempted rescue Wall Street brokerage firm 1970s; failed. Attempted rescue 2 employees held hostage in Iran 1979, organized 13,000-person jailbreak to get them out; succeeded. Sold his 46% EDS to GM 1984; cash and stock now worth $1.5 billion. Financed son's round-the-world helicopter trip. Paid $1.5 million for Magna Charta. Next project: supporting a second industrial revolution at GM. "If I were starting today, I'd found another EDS." With stock, oil, gas, real estate, worth at least $1.8 billion.



Henry Ross Perot

David Packard

Hewlett-Packard. Los Altos Hills, Calif. 73. Married; 1 son, 3 daughters. 6-foot-5 Stanford jock: football end, basketball center, hurdler. With $595 and classmate William R. Hewlett *(which see)* launched electronics firm from 1-car garage. Dave supplied business smarts; Bill, engineering; wives worked to support them. Firm grew into world leader ($6 billion sales 1984) by good management; high technology, audio oscillators; later calculators and small computers. Tour buses now visit garage. Brief stint as deputy defense secretary for Nixon. Still chairs

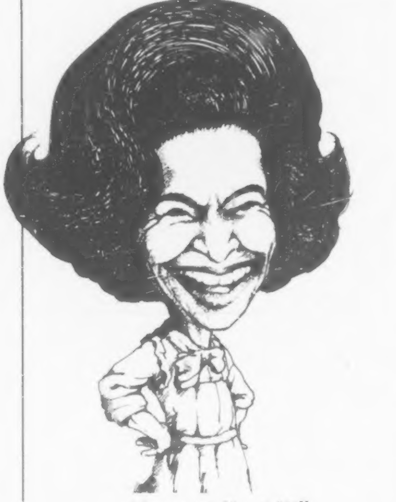


David Packard

H-P. Gave $40 million 1984 to build Monterey Bay Aquarium, world's largest. With over 17% H-P, worth over $1.5 billion.

Margaret Hunt Hill

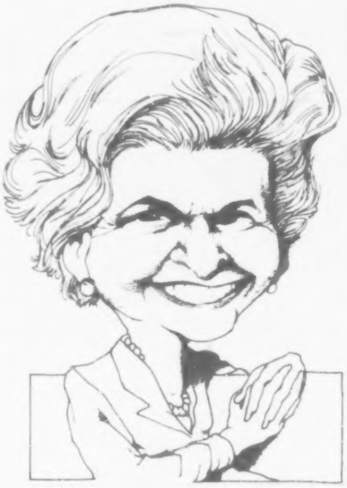
Inheritance, oil, real estate. Dallas. 70. Married, 3 children. Eldest child of H.L. Hunt *(see other Hunts, Schoellkopf)*. Stayed out of brothers' silver play. Reportedly insisted "the boys" use additional personal assets to secure principal family holding, Placid Oil, after 1980 silver debacle; she denies. With sister Caroline, withdrew her share (and trusts she controls for incapacitated brother Hassie) from family's oil trusts 1983. Has own oil operations; also real estate. Strong-minded; dominates family business meetings. "We're workaholics—that's the way of our mother and father." Stays out of public eye. Fortune, plus brother Hassie's trusts controlled by her, believed to total at least $1.4 billion.



Margaret Hunt Hill

Caroline Rose Hunt Schoellkopf

Inheritance, oil, real estate. Dallas. 62. Divorced, remarried; 4 sons, 1 daughter by first marriage. Second daughter of H.L. Hunt *(see other Hunts, Margaret Hunt Hill)*. Stayed out of brothers' disastrous 1980 silver play; with sister Margaret withdrew her share of family's oil trusts 1983. With sons operates own Rosewood Resources oil company. Also Rosewood Hotels; projected spending $350 million over 5 years on superluxury hotels, so far in Dallas, Houston (recently sold), Beverly Hills, Hawaii; building in Washington, D.C. "The hotels are not the whim of a rich woman, but a calculated real estate investment." Now building the Crescent, massive hotel/office/retail complex near downtown Dallas, designed by Philip Johnson. Also timber, ranching, etc. Including all trusts, fortune estimated at $1.3 billion.

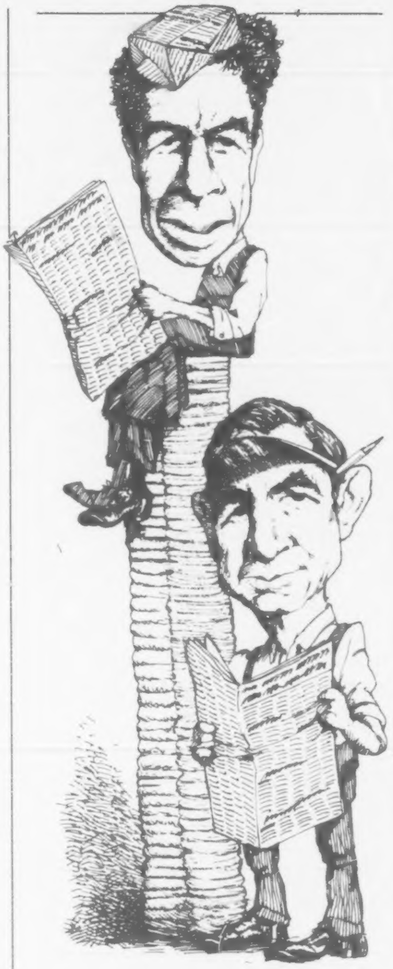


Caroline Rose Hunt Schoellkopf

Samuel Irving Newhouse Jr.

Donald Edward Newhouse

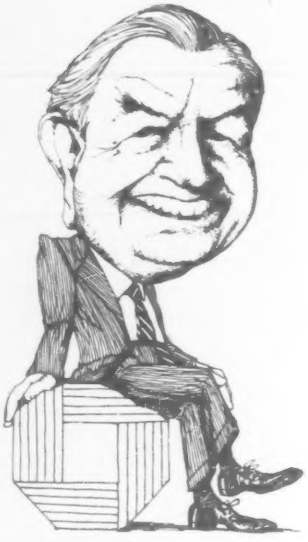
Brothers. Publishing. Father Samuel I. born in lower Manhattan tenement to poor Russian immigrant garment worker; turned around *Bayonne* (N.J.) *Times* as teenager; went on to build nation's largest privately owned newspaper chain. Gained reputation for cost-cutting nonunion editorial operation. No office, worked from briefcase (d. 1979). Sons Si and Don control voting stock. Advance Publications now 29 newspapers, 10 magazines, book publishing, extensive cable; estimated $2 billion revenues. Si: NYC. 57. Married, 3 children. Runs Condé-Nast magazines *(Vogue, Vanity Fair, GQ)*, Random House book publishing; 24 million circ. *Parade* magazine. Hard worker: at desk by 4 a.m. Bought *New Yorker* for $168 million 1985. His oldest son, 33, publisher *Jersey Journal*. "At this stage of my life, prestige is not anything I'm into." Donald: NYC. 56. Married, 3 children. Runs newspapers (circ.: over 3 million), cable-TV business (over 900,000 subscribers). Brothers opposing largest estate tax case ever: IRS wants $914 million, including $305 million fraud penalties; family claims $47 million is due. Pending resolution, brothers share fortune worth at least $2.2 billion.



Samuel Irving Newhouse Jr.
Donald Edward Newhouse

David Rockefeller

Inheritance, banking, real estate. NYC, Tarrytown, NY. 70. Married; 2 sons, 4 daughters. Youngest grandson of John Davison Rockefeller (1839-1937), patriarch America's most powerful family. Ph.D. economics 1940, CEO Chase

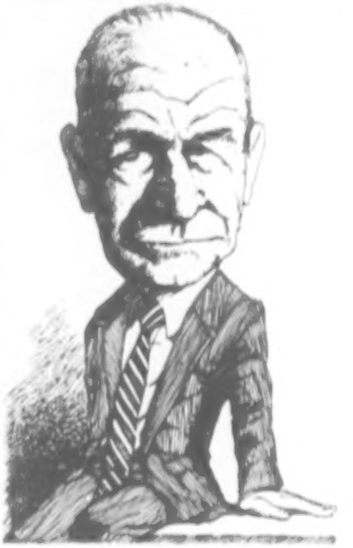


David Rockefeller

Manhattan 1969-81. International banker turned international statesman (e.g., hosted annual meetings World Bank). Major backer NYC development, from low-income housing to Westway project. Succeeded brother Laurance as chairman Rockefeller Brothers Fund, family foundation (1984 assets, $172 million). Presiding over diversification of family's real estate assets, including $1.3 billion syndication Rockefeller Center. Son David Jr. emerging as 4th-generation Cousins' foremost leader, spokesman. David Sr.'s investments, particularly far-flung real estate holdings, should have built own fortune to over $1 billion. *(See also other Rockefellers, A. Dayton, Ferry, Morgan, A. O'Neill, Roberts, Simpson, Thorn.)*

Henry Lea Hillman

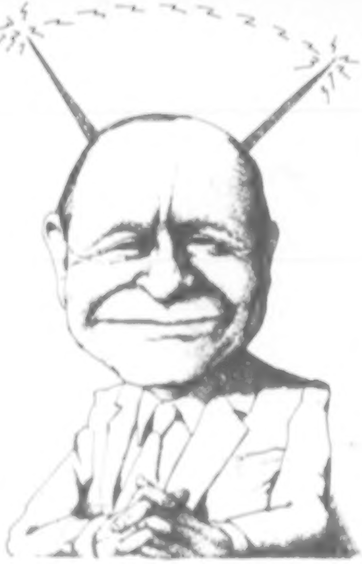
Industrialist. Pittsburgh. 66. Married, 4 children. Son of Pittsburgh coal broker, Mellon antagonist John Hartwell Hillman Jr. (d. 1959). Built on father's Pittsburgh Coke & Chemical, diversified 1960s. Smokestack assets worth $300 million 1969; redeployed into electronics, real estate, venture capital. Early backer 1976 Kohlberg Kravis Roberts & Co.; swung own LBO: Trailways, Inc. bus company. $100 million/year into venture capital for 5 years: "He saw correctly what was happening in Silicon Valley." Hillman: "I'm sure [my father's] turned over in his grave many times with some of the things we've done." Member boards PNC Financial Corp., GE, Cummins Engine and Chemical NY. Wife Elsie very active Pittsburgh civic affairs, Republican party leader. Net worth exceeds $1 billion.



Henry Lea Hillman

John Werner Kluge

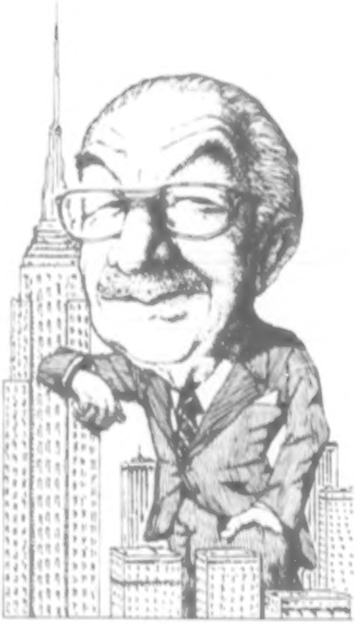
Metromedia. Charlottesville, Va. and NYC area. 71. Twice divorced, remarried; 3 children. Born Germany; family settled in Detroit 1922. Worked briefly on Ford assembly line; served as Army intelligence captain WWII; started D.C. radio station after war. Sold Fritos, Cheetos; bought real estate. Got control Metropolitan Broadcasting 1959; parlayed into Metromedia. Took company private 1984 in celebrated $1.2 billion leveraged buyout. His 26% stake drew about $115 million cash, plus over 75% of new firm, 93% voting stock. Sale pending 7 TV stations to Rupert Murdoch *(which see)* for over $2 billion. Metromedia now 11 radio stations, billboards, Harlem Globetrotters, Ice Capades, etc. Press shy; reticent. Valuation of TV stations puts Kluge's worth above $1 billion.



John Werner Kluge

Harry Brakmann Helmsley

Real estate. NYC. 76. Divorced, remarried; no children. Son of dry goods salesman, worked as $12-a-week office boy in Manhattan real estate firm; officer at 23, now Helmsley-Spear, Inc. Controls over $5 billion real estate: 50,000 residential units, 50 million square



Harry Brakmann Helmsley

feet office space, including Empire State Building. Pioneered real estate syndication with Lawrence Wien *(which see)*. "I buy wherever there's a deal. I'll take any city." Stopped building NYC: frustrated by housing restrictions, recently sold 2,300-unit Tudor City apts. on East Side. Second wife, "Queen" Leona, heads their 27 hotels, including $125 million Helmsley Palace NYC. Swims daily, likes ballroom dancing. Consensus of peers: He's a billionaire. "You don't have to do anything. You just have to sit. The values go up."

Marvin Davis

Oil, entertainment, real estate. Denver and Beverly Hills. 60. Married, 5 children. Father onetime boxer, from Manhattan garment district, got into oil & gas after WWII. Marvin joined 1947, bought many cheap oil leases in unpopular Rockies, became one of biggest U.S. wildcatters. Sold half oil properties to Hiram Walker 1981 for $630 million, sold more this year. Devotes much time to struggling 20th Century-Fox; bought with Marc Rich *(which see)* 1981, sold off many assets. Bought out Rich, sold half to Australian Rupert Murdoch *(which see)* for $250 million, rest for $325 million 1985. Also real estate; some from Fox with partners (Aspen, Pebble Beach). Lives lavishly; paid $20 million 1984 for Beverly Hills home of Kenny Rogers. "As a Denver oilman he was nobody. Now he can get into any restaurant he wants." Decline in oil properties (some sold March for $180 million) has hurt, but still a billionaire.

Marvin Davis

Warren Edward Buffett

Stock market. Omaha. 55. Married; 2 sons, 1 daughter. Brilliant protégé of Columbia Univ. business professor Benjamin Graham, prophet of asset-based valuation. Opened Omaha investment firm 1955 at 25. Dissolved 1969 after thirtyfold increase, no down years. Acquired New England textile firm, Berkshire Hathaway Inc., 1965, added stores and trading stamps. All faltered but diversification (candy, insurance, media), investments resulted in 22% compound growth for 20 years. "It's been like overcoming a misspent youth." 1984 annual report: "To earn even 15% annually over the next decade . . . will require a few big ideas. . . . [We] do not have any such ideas at present, but our experience has been that they pop up occasionally. (How's that for a strategic plan?)" Contracted to purchase 18% ABC-Capital Cities May 1985, cementing their merger. "Market agnostic," ignores fashions; eclectic reader. Favorite cuisine: burger and cherry Coke. His 45% BH, up 57% in past year, worth just over $1 billion.

Warren Edward Buffett

Leslie Herbert Wexner

The Limited, Inc. Columbus, Ohio. 48. Single. Quit law school to work in father's clothing store; left, borrowed $5,000 from aunt to do it his way 1963: segment market, sell sportswear to young women. "I wanted to show my dad." First year's sales $159,000. Another skeptic, Milton Petrie *(which see)*, told Leslie to stay small. Didn't listen: now some 2,500 specialty apparel shops; sales over $1.3 billion 1984. Delegates responsibility, known to consult mom on business. No window in Columbus office, instead trompe l'oeil of Manhattan's Fifth Avenue. Workaholic who decided to lead fuller life after nearly freezing to death atop Vail Mountain 1981. Supports the arts (part-owner Sotheby's), Jewish causes, redevelopment of downtown Columbus. Bid for Carter Hawley Hale failed 1984; bought 800-store Lerner chain 1985 ($297 million). Stock rose over 100% in past year. With immediate family worth $1 billion. "I regret my father did not live to see it."

Leslie Herbert Wexner

The Forbes Four Hundred

$500 Million or More

Gordon Peter Getty

Inheritance. San Francisco. 51. Married, 4 sons. Son of billionaire oilman Jean Paul Getty. Sued, lost battle with father on dividends, left company 1966. Only family member at father's deathbed 1976; controlled main family trust (40% Getty Oil). Against relatives' wishes, sold to Texaco 1984 for nearly double stock's value then. Trust received $4.1 billion; tax: $1.1 billion. Other heirs sued *(see Eugene Paul Getty)*. Final settlement ($750 million each to four branches) expected 1986. When done, his portion trust, other investments, may not quite make $1 billion. His *Plump Jack* cantata recently performed by San Francisco Symphony; good reviews. "Composers are remembered when the businessmen are forgotten."

Philip F. Anschutz

Oil, investments. Denver. 45. Married, 3 children. Father Fred built contract drilling company, oil and gas interests all over Midwest. Philip took over 1961, sold drilling rigs, aggressively bought oil, gas leases worldwide; let major oil companies develop. Biggest oil field: Anschutz Ranch East in Wyoming, Utah, sold half his interest to Mobil 1982 for reported $500 million. Now slashed oil production, turned toward stocks (Ideal Basic, Pennwalt, ITT). Bought Rio Grande 1984 for $500 million, mostly leveraged. Also minerals, real estate downtown Denver. Shuns publicity, photos. "The business is the central focus of his life." Decline in oil prices, Denver real estate may mean he is no longer a billionaire.

Barbara Cox Anthony

Anne Cox Chambers

Sisters. Inheritance. Daughters of James Cox, poor farm boy who rose to become Ohio governor, Dem. pres. nominee with running mate FDR 1920, built vast media empire; d. 1957. Daughters share 98% Cox Enterprises (flagship: *Atlanta Journal and Constitution;* 20 other dailies) after death of brother James Jr. 1974. Also Cox Communications (8 TV stations, 12 radio, cable, etc.) spun off 1964 (antitrust). Recently took private again with $1.27 billion offer despite management opposition. Barbara: Honolulu. 62. Divorced, widowed, remarried; 2 children. Third husband Garner Anthony, 56, chairman both firms; she runs ranching interests Hawaii, Texas, Australia. Son James Kennedy, vice president Cox Newspapers: "We've never run a public type of life." Anne: Atlanta. 65. Divorced, 3 children. Noted society hostess, civic leader; first Atlanta woman bank director 1973; also director Coca-Cola; ambassador to Belgium for, friend of, Jimmy Carter. Summers in France. Both women active on media boards. Fortune of each, at least $950 million.

The average age of The Forbes Four Hundred is 62.6.

Nelson Bunker Hunt

Inheritance, oil, real estate. Dallas. 59. Married, 4 children. Second son of H.L. Hunt. He, children share Hunt "first family" trusts *(see other Hunts, Hill, Schoellkopf)*. Personal interests: real estate, agriculture, Thoroughbreds, art. Epicenter of 1980 silver bubble; he, brothers, reportedly have sold 59 million oz.; sold other assets to pay down $1.1 billion bailout loan arranged by Federal Reserve; now $875 million. "It's easy to say something is worth something, but you still have to sell it." Let sugar-refining business go bankrupt, causing big loan losses. Donates to evangelical causes; John Bircher. With recent disclosures debt paydown, decline in oil holdings, farmland, coal leases, etc., believed worth at least $900 million.

Forrest Edward Mars Sr.

Forrest Edward Mars Jr.

John Franklyn Mars

Candy. Son, 2 grandsons of Frank C. Mars, gristmill operator's son who moved to Seattle to make candy. Twice failed; filed for bankruptcy 1914. To Minnesota 1920; struck gold on Milky Way recipe 1923. Frank financed son Forrest's British candy business to keep him distant (d. 1934). Forrest Sr.: Las Vegas. 81. Married, 2 sons, 1 daughter. Built empire overseas, returned 1940, as one-third owner added M&Ms, Uncle Ben's rice; bought out half-sister, got full control from rest of family 1964. Mars, Inc. now world's largest confectioner (also pet food, coin machines, etc.); sales over $5 billion; over 35% U.S. candy market. Higher profits via tighter costs, cheaper wrappers: "They don't eat the package." Honing candy's new image: gives energy, not pimples; Snickers official snack food 1984 Olympics. Supersecretive: Industry calls it the Kremlin. Forrest Sr. retired 1973, but visible "in spirit and by telephone." Runs boutique candy company Las Vegas. Forrest Jr.: McLean, Va. 54. Married, 4 daughters. Secretive, like father; said to be more congenial with intimates. Once ran Dutch unit, now regarded as CEO. John: Arlington, Va. 50. Married, 1 son, 1 daughter. Brusque, strong-willed; may have inherited father's, grandfather's autocratic manners. Began in Australian operation, now co-president. The 3 said to share control of company believed worth over $2.6 billion (much in trusts).

Walter Hubert Annenberg

Enid Annenberg Haupt

Esther Annenberg Simon

Jeanette Annenberg Hooker

Lita Annenberg Hazen

Evelyn Annenberg Hall

Publishing. Son, 5 living daughters of Moses Annenberg (d. 1942), tough founder Triangle Publications. Walter: Wynnewood, Pa.; Rancho Mirage, Calif. 77. Divorced, remarried; 1 daughter. Inherited debt-ridden firm 1942, built to preeminence. Started *TV Guide* 1953: country's most profitable magazine. Also *Seventeen, Daily Racing Form,* newly launched *Good Food,* vast stock holdings, Impressionist art, real estate. Close friend of, ambassador to U.K. for, Richard Nixon; Reagans spend New Year's at Rancho Mirage estate. Enid (Mrs. Ira Haupt): NYC. 79. Divorced, widowed; no children. Most distinguished Annenberg sister; ran *Seventeen* 1953-70 wrote books on teenage etiquette. Esther (Mrs. Leo Simon): NYC. 83. Widowed; 1 adopted son. Active as painter. Jeanette (Mrs. James Hooker): NYC & Palm Beach. 80. Twice widowed; 2 children. Served on White House board for decorative arts. Lita (Mrs. Joseph Hazen): NYC & LA. 75. Divorced, remarried; 1 daughter. Lives quietly, gives annual award for medical excellence. Evelyn (Mrs. Melville Hall): Palm Beach. 73. Divorced, widowed, remarried; 3 sons. Trustee of Museum of Modern Art (NYC). Triangle worth estimated $1.6 billion. Each sister (and families of 2 deceased) owns over 9% worth minimum $180 million. Walter votes all shares, holds about 35%; with other interests, worth over $875 million. Still active: "I'm going to run the company as long as I can breathe."

The oldest member of The Forbes Four Hundred is Dorothy Bullitt, 93.

Laurence Alan Tisch

Preston Robert Tisch

Brothers. Loews Corp. Started 1946 with loan from garment-manufacturer father to buy resort in Lakewood, N.J.; had 12-hotel chain by 1955; gained control of Loews 1960. Today, extremely profitable $5.6 billion (1984) revenue conglomerate (Lorillard tobacco, CNA Financial insurance, Bulova Watch, hotels). Sold movie theaters 1985. Over half of assets in investment portfolio. Larry: NYC and Rye, NY. 62. Married, 4 sons. Behind-scenes financial whiz. Bob: NYC and Harrison, NY. 59. Married, 2 sons, 1 daughter. Acts as outside, troubleshooter. Said to trek over 120,000 miles per year visiting firm's properties. "Candy store" management style: first-name, free-flowing communication; modest headquarters; dislike memos. Well regarded on Wall Street as canny, cash-flow-and-fundamental investors. Larry: "We read a lot of information, and if something strikes our fancy, we buy." Civic-minded, generous; millions to NYU (Tisch School of the Arts). Inseparable: live close together, dine together, share tennis, share limousine, share over 33% Loews (over 27 million shares after recent splits). With other real estate, share fortune worth over $1.7 billion.

Laurance Spelman Rockefeller

Inheritance, investments. 75. NYC and Tarrytown, NY. Married; 3 daughters, 1 son. Grandson of John Davison Rockefeller. Headed family venture capital efforts: early funder Eastern Air Lines, McDonnell Douglas; more recently Apple Computer. Also vast real estate St. Croix, Wyoming, etc. Developed exclusive Rockresorts: pricey, mostly remote vacation spots. Son Laurance running own resort Beaverkill, NY. Lifelong interest cancer research; $36.2 million gift in August to Sloan-Kettering. Wealth, from family trusts, investments, should easily exceed $800 million. *(See also other Rockefellers.)*

Samuel Jayson LeFrak

Real estate. NYC. 67. Married, 4 children. Father Harry built Brooklyn homes pre-WWII. Sam now largest U.S. apartment landlord: almost 87,000 units. Slowly co-oping some 50,000 units NYC. Cashing in on, amazed by, NYC real estate boom: "Everybody forgot how to add. They all multiply." Starting futuristic Newport City for "500,000" on New Jersey side of Hudson River; partner Melvin Simon *(which see)*. Major oil and gas interests. Also music publishing and production: "A song I don't have to paint every two years." Artists include Streisand, Cher; developing new talent: Highway Chile. Also theater: Broadway's *Cats, Leader of the Pack,* TV's *Fame.* Boisterous. Minimum net worth: $800 million.

William Herbert Hunt

Inheritance, oil. Dallas. 56. Married, 5 children. Third son in H.L. Hunt's "first family" *(see other Hunts, Hill, Schoellkopf)*. Principal manager family's oil empire. With brother Bunker carried huge debt to cover $1.1 billion loan rescue from 1980 silver crisis. Declined to back loans in 1985 collapse of Hunt International Resources Corp. "Dad said, 'Never borrow money unless you can get it paid back.' I guess I didn't listen well enough." Inherited father's contempt for high living: house in upper-middle-class neighborhood, old car. Vast ancient art collection. After recent disclosures debt paydown, decline in oil holdings etc., his net worth is estimated at $800 million.

William Redington Hewlett

Hewlett-Packard. Portola Valley, Calif. 72. Widowed, remarried; 5 children, 5 stepchildren. Graduated Stanford 1939, joined classmate David Packard *(which see)* to start company in 1-car garage. Capital: $595. Invented audio oscillator

The Forbes Four Hundred

Used technical virtuosity not price, built world-class producer instruments, computers, calculators (1984 sales, $6.04 billion). Over 7,000 products; 8% to 10% of sales plowed into R&D. "We've simply got more bonfires burning at one time." Effective shirtsleeves manager. "If I have to tell a guy he's got to do something, I consider myself a failure as a manager." Still vice chairman but essentially withdrawn from day-to-day operations. Excluding huge foundation, his 9% stake worth over $780 million.

Donald Joyce Hall

Hallmark Cards. Mission Hills, Kans. 57. Married, 3 children. Father Joyce Hall (d. 1982) became postcard distributor 1906, gradually switched to greeting cards; friend Norman Rockwell helped illustrate Christmas cards. Built national distribution, quality image. Now largest greeting card company: 11 million cards daily in 20 languages, half of company's $1.5 billion-plus revenues 1984. Diversifying: bought Binney & Smith, Crayola maker, 1984; 30% SFN educational publishers 1985. Also Crown Center (huge downtown Kansas City redevelopment). Donald in management since 1953; president 1966-83, now chairman. Employees bought one-third Joyce's stock, rest remains with Donald, worth over $760 million.

Winthrop Paul Rockefeller

Inheritance. Winrock Farm, Ark. 37. Divorced, remarried; 3 children by first wife. Great-grandson of John D. Rockefeller. Son of Winthrop (d. 1973), twice Republican governor of Arkansas. Win Paul was born months before parents' divorce; sent to series of European boarding schools by mother; flunked out of Oxford. Only one of Cousins (fourth generation) raised outside grandfather J.D. Rockefeller Jr.'s purview. Returned to U.S. shortly before his father's death, studied farming in order to run father's model ranch, "Winrock." Currently sits on Arkansas State Police Commission, widely expected to run for governor; conservative Republican. Wealth, much of it from family trusts, is believed to exceed $750 million. *(See also other Rockefellers.)*

An Wang

Wang Laboratories. Lincoln, Mass. 65. Married; 1 son, 2 daughters. Son of Shanghai high school English teacher; emigrated 1945. Harvard Ph.D. in applied physics took 3 years. Invented magnetic core memory at 28; sold patent to IBM; essential to computers 20 years. Started Wang Labs 1951; designed first digital scoreboard (Shea Stadium, NYC), first calculator to do logarithms, etc., etc. "Maybe when we're as big as IBM, I'll retire." Fiscal 1985 sales $2.3 billion; IBM, $46 billion. Computer industry slide devastating: huge layoffs; first quarterly loss ever. He controls family's 40% position worth over $715 million.

The youngest member of The Forbes Four Hundred is Abby Rockefeller Simpson, 28.

Curtis Leroy Carlson

Entrepreneur. Minneapolis. 71. Married, 2 daughters. Father Swedish immigrant grocer. Curt worked in store after school, odd jobs in college. Graduated in Depression, became salesman for Procter & Gamble. Realized power of incentives when noticed store with coupons did best. Started trading stamp company (Gold Bond) 1938. Diversified. Now Carlson Cos. includes incentive business, hotels, restaurants (Country Kitchen, TGI Friday's, Radisson hotels), travel agencies (Ask Mr. Foster). Sales total $2.65 billion. High-pressure outfit; executive row known as "Ulcer Alley," but Cadillacs given to top executives. Wants $4 billion sales by 1987. "Never be content with reaching a goal." Donates 5% of pretax profit to charity. Net worth over $700 million.

Michel Fribourg

Grain trader. NYC. 72. Widowed, remarried, 5 children. With 3 sisters, 5th generation of grain-trading family began Belgium 1813. Started Continental Grain in U.S. 1921, completed move after France fell 1940. Michel, in Army intelligence WWII, took over on father's death 1944. Revenues estimated at $14 billion, over 20% world grain trade (2nd to Cargill, *which see*). "We have survived by working with our wits." Last year sold troubled futures brokerage operation. Michel still chairman, little day-to-day responsibility. Son Paul a group president. Also 3.3 million shares (13%) Overseas Shipholding Group. Despite grain market troubles, his 90% Continental, other assets, worth over $700 million.

Edgar Miles Bronfman

Seagram Co. NYC. 56. Married 4 times, recently remarried 3rd wife; 7 children. Grandfather Yechiel left Russia, peddled firewood in Winnipeg. Acquired 3 small hotels. Father Samuel (d. 1971) switched to liquor trading, producing. Business thrived during and after Prohibition. Montreal-based company now world's largest distiller (sales $2.8 billion). Also 22% stake in Du Pont. Four children own 40% Seagram. Edgar, CEO and chairman (U.S. citizen 1955), owns 16%. Also owns large stake in Cadillac-Fairview (real estate), etc. Prominent in Jewish affairs. Net worth exceeds $665 million. "We're not going to throw our money around just because we have it. Maybe that's why we have it."

William Bernard Ziff Jr.

Publishing. NYC. 54. Divorced, 3 sons. Father cofounded Ziff-Davis 1930s, died 1953. William Jr., age 22, bought out Davis. Recognized uses of upward mobility: *Boating, Yachting, Flying*. Added more magazines, TV stations 1970s. Built up to some 70 publications; late move into computer field. Now liquidating: sold TV stations for $100 million 1983; 12 business magazines to Rupert Murdoch *(which see)* for $350 million, 12 consumer trade magazines to CBS for $362 million 1985. CBS then sued for $40 million refund, claimed Ziff-Davis fraud. Bill Ziff's expressed concern: "CBS has assaulted, without cause, a reputation we have devoted a lifetime to building." With recent sales, real estate, his net worth exceeds $650 million.

Perry Richardson Bass

Sid Richardson Bass

Edward Perry Bass

Robert Muse Bass

Lee Marshall Bass

Father and sons. Oil, investments. Fort Worth. Legendary oilman Sid Richardson (d. 1959) left bulk of estate to foundation, rest to nephew Perry, whose mother lent Sid $40 to start in oilfields during Depression. Perry: 70. Married, 4 sons. Built huge private oil empire, stakes in nearly every large U.S. field. Helped design PT boat WWII; navigated Ted Turner's World Open championship win 1972. Turned over business operation 1969 to eldest son, Sid: 42. Married, 2 children. Major force in growth of family fortune from oil (still vast holdings) to stock, other investments. Diverse portfolio: Munsingwear, Disney, Church's Fried Chicken, etc., etc., etc. Huge profits from stock deals, often from nervous management buybacks (e.g., 9.7% Texaco—25.6 million shares—sold back 1984 for $1.28 billion; est. Bass profit, $400 million). "If they don't make $1 million a day, they're nervous." Brothers all involved in family business, also separate interests. Edward: 40. Single. Invests in avant-garde arts, science. Robert: 37. Married, 2 children. Lee: 29. Married, no children. All 4 Yale graduates. Much philanthropy in Tex., NYC: "The Basses have replaced the Morgans and the Rockefellers as America's premier dynasty." Sid: "I just want to disappear." Wife Ann active in worthy causes. Family fortune well over $3 billion.

181 members of The Forbes Four Hundred control fortunes that were mostly or entirely inherited.

Samuel Curtis Johnson

Johnson Wax. Racine, Wis. 57. Married, 4 children. Great-grandfather, wood-parquet-flooring salesman, founded firm 1886. Grew into one of nation's largest privately owned corporations. One of first companies to give paid vacations, profit-sharing. Sam joined 1954; became new products director 1955: urged nonwax items (Raid, Glade), now among most profitable lines. Took over 1967; further diversified—personal care, recreational equipment, financial services—but cautiously: "I go into things with my little toe first." Big on bug killer: "Whenever you get bit by a mosquito, remember I'm smiling." Son Curt, 30, runs venture capital arm. Daughter Helen, 28, associate product manager. Sam controls family's 60% of $2 billion-plus (sales) firm *(see also J. Louis Jr.)*, worth over $600 million.

Jack Kent Cooke

Real estate, investments, sports. Middleburg, Va. 72. Twice divorced, 2 children by first wife. Young Canadian boy began selling encyclopedias, soap door-to-door. Then radio stations/newspapers with magnate Lord Thomson of Fleet. U.S. citizenship 1960; retired for 6 months, got bored. Built/bought/sold Los Angeles Forum, 2 LA teams. Family's 14% Teleprompter brought over $100 million in 1981 sale. Bought Elmendorf Thoroughbred horse farm for $43 million late 1984. Seeking baseball team in DC. Also made recent $1 billion offer for Multimedia: failed, $25 million profit. With NYC's Chrysler Building, other NYC property, 16 acres downtown Phoenix, football Redskins, net worth estimated at above $600 million.

Claude B. Pennington

Oil, gas. Baton Rouge, La. 84. Married; 1 son (deceased), 3 grandchildren. Born year before first La. oil field discovered near home. Joined father's eye and ear clinic as optometrist; quit shortly after father's death. "Doc" bought into Port Hudson property mid-1950s for $400,000. "I thought I was getting a bad deal." Big strike 1952. Pennington Oil Co. now drilling in 7 states; interests in nearly 100 gas and oil wells. Largest local bank depositor (said to have up to $70 million); hates the taxes on interest, royalties. Eats fried food only if cooked in peanut oil. Gave nation's biggest grant: $125 million LSU nutrition center. Net worth mostly in vast oil reserves, may still well exceed $600 million. "I had more fun when I didn't have any money."

Paul Mellon

Inheritance. Upperville, Va. 78. Widowed, remarried; 2 children by first marriage *(see Timothy Mellon, Catherine Conover).* Grandfather Thomas parlayed real estate investments into Mellon Bank; lent to fledgling companies for equity; got large chunks Gulf Oil, Alcoa, Koppers, etc. Paul inherited $250 million from father, Andrew (ran Mellon Bank 1882-1921, U.S. Treasury Secretary 1921-32, d. 1937). Degrees Yale, Oxford, Carnegie Tech law, then patrician lifestyle raising horses on 4,400-acre estate. Passion for art led to renowned collection, chairmanship 1963-84 National Gallery of Art, Washington (founded by father). After lavish donations art, net worth believed to exceed $600 million. *(See also other Mellons, Evans, May, Scaife.)*

Edward Lewis Gaylord

Broadcasting, publishing, real estate. Oklahoma City. 66. Married, 4 children. Father E.K. bought into *Daily Oklahoman* 1903, became one

165 members of The Forbes Four Hundred built their fortunes without any significant inheritances.

of state's most powerful figures. E.L. took over after father's death (1974 at 101). Today Gaylord Broadcasting: 2 newspapers, 7 TV stations, 3 radio, farm journal, *Hee Haw* TV show, real estate, trucking, oil and gas. Bought Grand Ole Opry 1983. Recently bought 30% interest Texas baseball Rangers, with option for rest; 20% Telerate. Conservative, highly opinionated: "There's nothing reclusive about me." Believer in family, religion, patriotism: Oklahoma paper accepts no liquor ads. With family, has majority Oklahoma Publishing Co. Net worth believed to exceed $600 million.

Donald John Trump

Real estate. NYC. 39. Married, 3 children. Father Fred self-made builder, began 1940s. Donald, Wharton grad, joined 1968, took over 1976. They amassed 20,000 NYC apts. Fred, 79, still oversees slow co-oping of outer boroughs. "Boy wonder" attracts top institutional bankrollers: NYC Grand Hyatt; opulent (up to $12 million each) Trump Tower condos with Equitable; Trump Plaza Casino with Harrah's (Atlantic City); $320 million for 2nd Atlantic City casino; $95 million for 76-acre former railroad yard West Side Manhattan. Self-aggrandizing: "What I have done is build the most beautiful buildings in the best locations. . . . What good is it if no one knows about it?" Net worth should exceed $600 million.

Edward John DeBartolo

Shopping centers. Youngstown, Ohio. 67. Married; 1 son, 1 daughter, both in business. At 13, wrote bids for Italian-speaking stepfather, a paving contractor. Plunged 1949 on untested idea most banks feared to lend on: suburban shopping centers. Plunged again on giant regional malls 1960s. Now biggest U.S. mall developer; 58 million sq. ft.; 53 major malls. Also over 1 million sq. ft. office space Pittsburgh, Miami; hotels; south Fla. condos. At least half interest in all properties. Owns Pittsburgh sports teams; son owns San Francisco (football) 49ers. At work before 6 a.m. until after dark. "Some people consider 40 hours a week working. That's not work." Net worth: $600 million or more.

A. Alfred Taubman

Real estate, art. Bloomfield Hills, Mich.; Palm Beach. 60. Divorced, remarried (to former Miss Israel); 3 children. Started construction firm on $5,000 loan 1951; built 200 gas stations for pal Max Fisher *(which see).* Developed shopping centers, saw big money was in ownership; now controls 19 upscale shopping malls; noted for high revenues. Led Irvine Ranch buyout 1977; huge profit when resold to D. Bren *(which see).* White knight for Sotheby's 1983 (bought 60%), Woodward & Lothrop department stores (D.C.) 1984. Also, 100 movie screens; 800 fast-food outlets (franchised); plus art; stocks. "The best opportunities are in improving what you already have." Net worth at least $600 million.

John Murdock Harbert III

Construction. Birmingham, Ala. 63. Married, 3 children. Finished WWII with $6,000 craps winnings. Dabbled in taxidermy, photography; invested winnings in concrete mixer, tools. Cadged local bridge contract, then highways, pipelines, buildings. Insolvency 3 times in first 20 years: "Our statements were not worth the paper they were typed on." Eventually expanded overseas: bid on risky Third World projects; cobuilt Israeli air base, U.N. Sinai facilities. Now Harbert Corp. over $500 million revenues, most in Egypt. Sold Kentucky coal leases for Standard of Indiana stock, now worth $300 million. Reaped $74 million profit participating in Gulf Oil takeover battle 1984. His 75% Harbert Corp. worth at least $600 million.

William Walter Caruth Jr.

Real estate. Dallas. 73. Married, 4 children. Grandfather opened general store 1849, used earnings to buy land, amassed cotton plantation. Father increased acreage to near 30,000, sank into debt. Turned it over to Will Jr. 1939, who developed and sold it for decades. "Grandfather acquired the land, father held it, and I harvested." Family ranch now known as North Dallas—to some, "Will Caruth's backyard"—plus scattered parcels. Also other Texas land, developing Florida real estate. Holdings are mostly in names of children, 2 nephews. He controls fortune worth $600 million.

Milton Petrie

Petrie Stores. NYC and Southampton, NY. 83. Twice divorced, widowed, remarried; 3 children. Father came from Russia; ran pawnshop; went bust. Milt changed name from Petrovitzky; opened first clothing store Cleveland 1927; into bankruptcy 1937, out 1938. Postwar era: Big expansion in shopping centers; also many acquisitions. Now chain over 1,300 women's specialty stores: Stuarts, Marianne, Petrie's, Davids, et al. 1984 sales $951 million. Medium-priced; much for teens. "Those girls—they'll live on hot dogs so they can spend money on clothes." Terrorizes staff mornings, plays bridge afternoons. Searching for successor to run company. His 56% stake, dividends, other assets, worth over $585 million.

August Anheuser Busch Jr.

Anheuser-Busch. St. Louis. 86. Widowed, twice divorced, remarried; 10 children. Soap manufacturer Eberhard Anheuser reluctantly acquired faltering local brewery 1860. Son-in-law Adolphus Busch succeeded him in company. Grandson, August Sr., made corn syrup, yeast during Prohibition; Budweiser before and after (d. 1934). World's largest: 122 bottles per adult American 1984. Great-grandson August Jr. ran 1946-75; acquired St. Louis (baseball) Cardinals: "It's a great sport, and a son of a, son of a, son of a gun business." At 82 first American to capture

Queen's Cup coaching (precision horse & carriage driving) title in England. Son August III, 48, runs company. Fortune must well exceed $575 million stockholding.

Henry Crown

Lester Crown

Father and son. Industrialists. Chicago. 89, 60. Henry: remarried widower; 3 children (1 deceased). Son of Latvian immigrant, high school dropout (later finished at night), built up small building materials firm starting 1919; worth $1 million by late 1920s. Once owned Empire State Bldg. Merged with General Dynamics 1959 for stock. Left board 1966 when forced by GD to convert or redeem preferred stock. Redeemed, then bought common with a vengeance 1969; family still owns 23%. Also substantial real estate (sold Empire State Bldg. 1961 for $31 million profit), investments other companies (Hilton, Aetna, Vulcan Materials). Has donated some $75 million to charities. Ill but still consulted; control of fortune passing to Lester (exec. vp at GD), other family. Lester: married, 7 children. Still enjoys high-level security clearance despite having admitted making payments to Illinois state legislators 1974. Takes in one financially needy college student every year; bought Aspen ski resort 1985. Joint net worth at least $1.1 billion.

Trammell Crow

Real estate. Dallas. 71. Married, 6 children. Before WWII, a bank teller, then CPA. Built warehouses Dallas 1948. "After that, we just got less and less small." Near-disaster 1974 real estate crunch. Now Trammell Crow Co. nation's biggest developer: over $2 billion 1984 construction starts (28 million sq. ft. office space, 140 million industrial, 10 million sq. ft. shopping centers). Total assets $7 billion, with debt, partners: Crow owns 20%. "Hell, I've never seen most of the Trammell Crow buildings." Separately built residential subdivisions, 24,000 apts. Third company, 100% Crow's, has 8 million sq. ft. Dallas trade marts, including new Infomart computer center. Planning Times Square trade mart NYC. Also 8,500 hotel rooms. His interests worth at least $550 million.

14 members of The Forbes Four Hundred are immigrants.

Jack Richard Simplot

Potatoes, cattle, semiconductors. Boise, Idaho. 76. Divorced, remarried; 4 children by first wife. First potato field became profitable when he began processing spuds instead of selling raw: sells 700 million lbs./yr. french fries to McDonald's, Burger King, others. Keeps costs cheap: mines own phosphate for fertilizer, keeps 250,000 cattle to consume peels. Recent ventures: Idaho semiconductor manufacturer, silver mine. Run-ins with Commodities Futures Trading Commission (alleged price manipulation) and IRS (failure to report gambling income). Raises Arabians; skis. License plate: MR. SPUD. Net worth about $550 million. Simplot: "I wouldn't sell for that, that's for sure."

Harry Weinberg

Real estate, securities. Honolulu and Baltimore. 77. Married, 1 son. Austrian born; emigrated at 4, left 6th grade to sell newspapers, work in father's repair shop. Bought rundown Baltimore properties 1930s. Used profits to buy bus companies 1950s, 1960s: cut services, sold land, spurred municipality to buy out. Went Hawaiian as land speculator, corporate raider: "I liked the climate." Tacky attire, brusque (told an exec: "As head cheese you made too many mistakes") menaced dignified Dillingham, Amfac, et al.; lost Alexander & Baldwin proxy fight 1985. Now "Honolulu Harry" sitting on Baltimore properties amidst redevelopment. Hawaii's richest, worth some $550 million: "It's going to charity."

Leonard Norman Stern

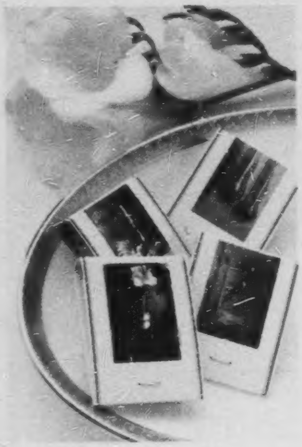
Pet supplies, real estate. NYC. 47. Divorced, 3 children. Father Max, 2,100 canaries emigrated from Germany's Hartz Mountains 1926. Started pet supply business as Hartz Mountain Corp. Leonard earned M.B.A. at night, age 19; took over weak firm at 21 (1959); expanded sales. Took public 1972 at $22 a share; took private again 1979 at $14.50 a share. Antitrust cost him $100 million in settlements. Company admitted 1984 to perjury over alleged hiring of hookers, bribery, antitrust, et al.; fined $20,000. Bought 151,000 circulation *Village Voice* 1985 for $55 million. With immense N.J. land holdings, net worth at least $550 million. "When I think of the degree of my worth I find it ungraspable."

David H. Murdock

Real estate, acquisitions. Bel Air, Calif. 62. Divorced, widowed; 3 children. High school dropout. Built homes in Phoenix, Ariz. after WWII; parlayed to $100 million; lost most in 1963 collapse. Rebuilt in Calif.: real estate, small companies. Now Pacific Holding Corp. $1 billion revenues (1984), incl. Cannon Mills. Last year took 20% of $2.75 billion buyout of Continental Group for $150 million, sold for reported $200 million. Sold 5% Occidental Petroleum to company 1984 for $59 million profit. "Murdock manages to get bought out and he manages to get bought out pleasantly. That's part of his genius." This year merged 34%-owned Flexi-Van with Castle & Cooke. Also vast real estate. Worth at least $550 million.

Donald Leroy Bren

Real estate. Newport Beach, Los Angeles, NYC. 53. Twice divorced, 3 children. Son of late Hollywood producer Milton Bren, stepson of actress Claire Trevor. To college on skiing scholarship, lost 1956 Olympic bid. Briefly in Marines; built first house 1958; expanded rapidly. Formed Mission Viejo 1963; sold 1967. Restarted Bren home-building co.; sold to International Paper



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for $35 million 1969; bought back for $18 million 1972. Joined Irvine Ranch buyout 1977; bought out others 1983; now has 92% *(see Athalie Irvine Smith)*, 68,000 acres Orange County, Calif. "We don't have to scrape off something that was created 75 years ago." Athletic; tennis mornings, skis weekends. Net worth exceeds $525 million.

Jane Bancroft Cook

Inheritance. Cohasset, Mass.; Sarasota, Fla. 73. Thrice widowed, once divorced; 3 children. Grandfather Clarence Barron, preeminent financial writer, bought *Wall Street Journal*, Dow ticker from Charles Dow, others 1902. Began *Barron's* 1921, suggested by Hugh Bancroft (d.1949), husband of adopted daughter Jane. Of their 3 children, only Jane survives *(see W. Cox, Bancrofts)*. Once played summer stock with Humphrey Bogart, now major donor to education, hospitals. "She doesn't call attention to herself in any way. You would never know that she was one of the richest people in the country. Just a nice person." Dow director 1959-85. Daughter Martha S. Griffiths now on board. Dow Jones holdings, other assets are believed to be worth over $525 million.

Joan Beverly Kroc

Inheritance. La Jolla, Calif. 57. Divorced, widowed; 1 daughter by 1st marriage. Third wife of Raymond Kroc, milk-shake machine salesman who built McDonald's Corp. into world's largest food service company (d. 1984). Both were married when met 1956. Wed 12 years later, Joan 16 years his junior. Launched Operation Cork (Kroc, backwards) 1976: aid for alcohol, drug abuse. Now part of Joan B. Kroc Foundation. Opinionated: "I like my privacy, but I feel so strongly about things, so what the hell?" Recently ran full-page antiweapons ad in over 100 papers. Inherited McDonald's stock, now under 9%, after sales; also San Diego baseball Padres (run by son-in-law). Net worth at least $525 million.

78 members of The Forbes Four Hundred are women.

Abram Nicholas Pritzker

Jay Arthur Pritzker

Robert Alan Pritzker

Father and sons. Financiers. Chicago area. A.N.: 89; widowed, remarried 1972; 3 sons (1 deceased). Father Nicholas came from Russia, started Chicago law firm 1902. A.N. joined early 1920s: bought real estate late 1930s; by 1940 too busy with investments to take new legal clients. Son Jay: 63; married, 5 children (1 deceased). Son Robert: 59; divorced, remarried; 5 children. Astute Jay buys firms: Graham and Dodd methods (review assets, cash flow, liquidity) paid off big. Key holding: $3 billion sales Marmon Group, umbrella for over 65 manufacturing cos. run by engineer Robert. National prominence from late 1950s as builders Hyatt luxury hotels: 57,000 rooms. Also *McCall's* magazine (paid $8 million 1973, now worth $150 million), vast real estate and timber, etc. Bought profitable snuffmaker Conwood Corp. ($198 million sales) 1985 for $401 million. Reason: tax credits of recovering Braniff International bought 1983. Jay: "I don't know how much we're worth. Maybe [FORBES] gypped us" on estimates. Control fortune worth over $1.5 billion.

Lamar Hunt

Inheritance, oil, sports. Dallas. 53. Divorced, remarried; 4 children. Youngest of H.L. Hunt's "first family" *(see other Hunts, Hill, Schoellkopf)*. He and children share in family's debt-burdened oil and real estate trusts. Devotes most time to personal business interests, mainly sports: cofounded American Football League; owns Kansas City Chiefs (KC home is 4-bedroom apt. in Arrowhead football stadium), other clubs. Also KC amusement park; land development and mining co. Lives frugally, "an economy-class millionaire": flies commercial, usually wears same suit; avid gardener. Net worth believed to exceed $500 million.

Daniel Keith Ludwig

Shipping, real estate. NYC. 88. Divorced, remarried; 1 daughter by first marriage, 2 stepchildren. Son of Michigan real estate agent; quit junior high school, borrowed $5,000 at 19 to convert old steamer. Hauled molasses, then oil. Perfected scheme 1930s: get charter to move oil, use as collateral to borrow, build tanker; repeat. Owned world's third-largest fleet; added vast real estate, banking, mining, oil and gas; much since sold. Allowed first photo in nearly 20 years 1985 signing contract for 95-acre development in New Jersey. Foreign assets (shipping, real estate, oil and gas) worth maybe $1.5 billion, run by D.K., owned by principal heir, his Zurich cancer institute. Retains U.S. assets (mostly savings and loans, NYC real estate), worth over $500 million.

Richard Mellon Scaife

Inheritance, publishing. Pittsburgh. 53. Separated; 2 children. Grandson of Richard Beatty Mellon, the 3rd Mellon to run Mellon Bank (d. 1933). "Dicky" inherited over $200 million from Mellon mother 1965. Reportedly felt that father received shoddy treatment from Mellon family; rarely uses middle name or initial. Has unvarying Pittsburgh reputation as hard-nose. "Citizen Scaife" dabbles in publishing: 2 small papers, radio station; hates publicity. Still, pending divorce fueling local gossip. Major supporter of New Right leaders, think tanks. Contributions of $2 million helped fund General Westmoreland suit against CBS 1984. Fortune is believed to exceed $500 million; denied by him. *(See also other Mellons, Conover, Evans, May.)*

Charles Henry Dyson

Conglomerator. NYC. 76. Married, 4 children. Price Waterhouse CPA, appointed consultant to War Secretary 1941; represented Treasury Dept. at Bretton Woods conference 1944. Left Textron as vp 1949: felt it diversified too slowly. Joined with former colleague Franklin Kissner 1956. Dyson-Kissner Corp. (now Dyson-Kissner-Moran) built up conglomerate Wallace-Murray. Merged into Household Finance Corp. 1981. Controls family's voting stock DKM as chairman emeritus. Major public stakes (Household, Esterline Corp., Kearney-National), vast private holdings worth over $500 million.

Orville Wayne Rollins

Entrepreneur. Atlanta. 73. Married, 2 sons. Parents chose name from hat; he prefers Wayne. Raised on small farm, worked in Depression textile mill $10/week. Supervisor in TNT plant WWII. With brother John auto dealerships after, then radio, TV stations. Started Rollins, Inc. 1948, expanded rapidly by acquisition: media; oil & gas services; security systems; pest control. Orkin still largest exterminator: 11% market share. "As a rule, a woman won't put up with a roach for $10 a month." Split into 3 public firms 1984 (Rollins Communications, RPC Energy, Rollins, Inc.); controls 45% each. Also stake Intermedics; 50,000 acres Ga., Fla.; other. Farmer, quail hunter. Religious; close family ties; sons in business. With family net worth at least $500 million.

Charles de Ganahl Koch

David Hamilton Koch

William Ingraham Koch

Frederick Robinson Koch

Brothers. Oil. Sons of Fred (d. 1967), Texas farm boy, later MIT, 1 of 3 founders Rock Island Oil & Refining. Sold oil to Russians 1920s; saw friends liquidated; charter John Bircher 1958. Charles: Wichita, Kans. 49. Married, 2 children. Took over on father's death, renamed Koch Industries. Created major diversified company: oil, pipelines, refineries, ranching, etc.; estimated revenues $18 billion. Father counseled his "dear boys": "Be kind and generous to one another." Sons' 3-year feud for control ended 1983 when Charles (chairman), David (exec. vp) bought out William, Frederick (neither active in company). David: NYC. 45. Single. Runs several Koch subsidiaries. Twin Bill: Boston. Married, no children. Runs small Oxbow Corp.: energy trading. With sale of his Koch shares, current investments, worth over $500 million. Suing for more however, claims "a great deal of love and respect for my brothers. This is basically a business dispute." Fred: NYC. 52. Single. Written out of father's will because of interest in theater and the arts, not the company. Received less in buyout, still worth at least $350 million. Bill acquires paintings for loan to Boston Museum. Charles supports conservative, laissez-faire politics; David ran for U.S. Vice President on Libertarian ticket in 1980 election. Their shares of Koch Industries are worth at least $500 million each.

The youngest member of The Forbes Four Hundred whose fortune is self-made is James Jaeger, 37.

Stephen Davison Bechtel Sr.

Stephen Davison Bechtel Jr.

Engineering, construction. Father: Oakland. 85. Married, 2 children. Son: San Francisco. 60. Married, 5 children. Warren Bechtel built railroads 1898 in Oklahoma Territory, moved to San Francisco 1917. Son Stephen Sr. expanded company to global giant building mammoth

The Forbes Four Hundred

Malcolm Stevenson Forbes

Publishing. Far Hills, N.J. 66. Married, 5 children. Father B.C., Scottish immigrant 1904; became widely syndicated financial columnist; launched FORBES magazine 1917. Sons inherited 1954: Bruce died 1964, MSF eventually became sole stockholder. Brief political career 1950s (2-term N.J. state senator; lost governor race 1957); turned totally to magazine. Now among top business publications: "Capitalist Tool" unusually profitable. Balloons, motorcycles, collecting (Fabergé, paintings, presidential letters, toy soldiers, boats, etc., etc.); western ranches, Fiji copra plantation, etc. Weakness for aphorisms. Net worth, estimated by others:

Wall Street Journal: "$200 million or so."

Columnist James Brady: "Perhaps a half-billion dollars."

Penthouse: "Closer to $200 million than $600 million."

Manhattan, inc.: "Exceeding $400 million."

MSF: "I don't know."

projects (Hoover Dam; Alaskan pipeline; Washington, SF subways). Jr. took over 1960, expanded nuclear plant construction, added airports. Huge Saudi Arabian ventures in 1970s oil boom, including estimated $40 billion industrial city, Jubail. "The Saudi royal family likes dealing one dynasty to another." Middle East oil decline, U.S. nuclear plant woes forcing severe cuts. Revenues down 39%, to $8.6 billion, 1984. Going after smaller contracts, new frontiers (China, the Andes). Several top execs tapped by Reagan (incl. Shultz, Weinberger). Sr. and Jr. control family fortune, Bechtel Group, Inc.; worth at least $1 billion.

$200 Million and More

William H. Millard

ComputerLand. Oakland, Calif. 53. Married, 3 daughters. Born Denver: only son, 5 sisters. College dropout; won reputation computerizing city govt. operations. Briefly with IBM; then ran 2 software consulting firms. Saw potential for retailing microcomputers; first ComputerLand 1976. Now over 800 franchises in 25 countries incl. China. 1984 revenues: $1.4 billion. Takes 8% of gross, franchising fees. Autocratic; est graduate: "It seems like I'm right on the edge of the sword constantly." Recent court battle may cost 20% of company, $125 million in damages to Micro/Vest; under appeal. Recently gave up operating control under pressure. His unchallenged 80% worth at least $480 million.

John Thompson Dorrance Jr.

Dorrance Hill Hamilton

Hope Hill van Beuren

Tristam C. Colket Jr.

Charlotte Colket Weber

George Strawbridge Jr.

Diana Strawbridge Norris

Uncle, nieces, nephews. Inheritance. Brilliant chemist John Sr. spurned professorship offer, took $7.50/week from Campbell Soup Co. Developed condensed soup, clever ads. Became president 1914, d. 1930 leaving then 3rd-largest estate in U.S., $129 million (⅔ company, ⅓ other assets) to 5 children (4 daughters now deceased). "Not a penny to charity." Estate taxes employed estimated 13,000 in Pa. public works in Depression. Descendants privately donate much, often. Company went public 1954, heirs' stake slowly reduced to less than 60%. Largest inheritance, ⅓, to John Jr.: Gladwyne, Pa. 66. Divorced, widowed, remarried; 3 children by first wife. Recently retired as company chairman; oversaw huge growth, acquisition (Pepperidge Farm, Swanson Frozen Foods). His branch's shares, other assets worth more than $475 million. Niece Dorrance: Strafford, Pa. 57. Married, 3 children. Runs house furnishings shop; fundraising. On company board. Husband Samuel, 61, a stockbroker. Dorrance's sister Hope: Middletown, R.I. 51. Married, 3 children. Until recently, ran dress shop; husband John in venture capital. On mother's death 1977, Dorrance and Hope split her 1/4th of Campbell. Dorrance, with other assets, worth over $185 million; Hope worth over $160 million. Cousin Tristam: Paoli, Pa. 47. Married, 3 children. Chairman Cressona Aluminum Co. Owned Altair, defunct regional airline. His sister Charlotte: Ocala, Fla. Early 40s. Married, 4 children. On board of Metropolitan Museum of Art, NYC. Breeds Thoroughbreds. Husband John professor of biology at Cornell. On death of mother, 1965, siblings split her share; since may have partly diversified; believed worth some $150 million each. Cousin George: West Chester, Pa. 46. Married, 3 sons. Bought stake Delaware Trust Co. 1981 from several du Ponts. Owner Tampa Bay Rowdies (soccer) 1975-83. "Perennial leader on the steeplechase circuit." Teaches Latin Amer. history at Widener College. His sister Diana: Coatesville, Pa. and Palm Beach. 44. Married; 2 sons, 1 daughter. Horticulturist; philanthropist; husband nonpracticing lawyer. On death of mother 1953, siblings split her 1/4th, may have sold some shares. With stock, other assets, each believed worth, with families, at least $150 million.

Arthur Bejer Belfer

Oil, real estate. NYC. 78. Widowed, remarried; 3 children, 2 stepchildren. Polish-born; immigrated during WWII. Made sleeping bags for Army to 1952; got into oil, gas. Went public as Belco Petroleum Corp. 1959. Vast oil in Peru; failed oil venture in Israel 1969. Also domestic natural gas, coal mining. With family, owned some 45% until 1983 friendly takeover by InterNorth Inc. "The name of the game in business is money. If the price is right, we'll sell." Preferred stock now worth nearly $350 million. Arthur chairman emeritus, son Robert president, son-in-law senior vp Belco; other son-in-law comanager family's NYC real estate. Total fortune exceeds $475 million.

Harvey R. (Bum) Bright

Oil, trucking, real estate. Dallas. 63. Widowed, remarried to secretary; 4 children by first marriage. After Texas A&M, WWII, year working for Sun Oil, had savings to last a year: went out on own. Bright & Co. now has gas and oil reserves worth $75 million. Sold trucking company in 1982 for $80 million. Equity in Bright Bank Savings $110 million; stock in RepublicBank Corp. worth $26 million; $37 million part-owner Dallas Cowboys. Turned down $150 million for 2,500-acre ranch in prime development area north of Dallas. Net worth exceeds $475 million. "But I couldn't borrow money from the bank on that, could I?" Next-door-neighbor: Nelson Bunker Hunt.

Sol Goldman

Real estate. NYC. 68. Separated, 4 children. Goldman-DiLorenzo was once NYC's largest, most leveraged landlord. Quit college to run father's grocery store 1935; began scooping up foreclosed properties at bargain prices. Almost destroyed by 1973-74 real estate slide. Lost 40%. On partner's death (1975) Sol, Alex DiLorenzo's sons split remaining 60% by flipping quarters. Now over 600 parcels, mostly Manhattan. Buys much, holds on. "In this business, you make money slowly. The main point is not to sell anything." Named one of 10 worst NYC landlords 1985; indicted for perjury in illegal nighttime demolition aging buildings Times Square area. With extensive stock portfolio, worth at least $450 million. *(See DiLorenzo family.)*

103 members of The Forbes Four Hundred have fortunes derived principally from manufacturing. (In 1984, 95.)

Morton K. Blaustein

Ruth Blaustein Rosenberg

Louis Thalheimer

Inheritance. Baltimore. Heirs of Louis Blaustein (1869-1937), penniless Russian immigrant who delivered kerosene door-to-door, and son Jacob (d. 1970). Louis, early gas station operator, invented forerunner metered gasoline pump; anti-knock gasoline; founded American Oil 1910. Only son Jacob merged into Standard Oil of Indiana for 5.25 million shares (now over 8 million) 1954. Jacob's son, Morton: 58; divorced, 2 daughters. Chairman family's American Trading & Production Corp.—oil and gas, real estate, tankers, manufacturing. Controls just over half the company, worth at least $450 million. Two sisters have passive interest. Jacob's sister Ruth: 86; widowed, 3 children. Director American Trading; her interest worth at least $225 million; only son Henry Jr. (CEO family-controlled Crown Central Petroleum) votes most shares. Louis, grandson of Jacob's second sister: 41; married, 2 children. President American Trading. Controls interest worth at least $225 million. His 2 sisters have passive interest.

Cyril Wagner Jr.

Jack Brown

Partners. Oil, investments. Midland, Tex. Believed Midland's richest. Set up Wagner & Brown Oil Properties 1962, built up vast oil production. Diversified with Canyon, Inc. (aeronautics, plastics, etc.). Wagner: 51. Divorced, remarried; 5 children. Brown: 59. Married, 3 children. Partnership sealed with a handshake, not formal papers. Wagner: "We just complement each other." Devoting much time, money to backing friend, takeover artist T. Boone Pickens. "They go hunting together, they get drunk together." Joined Pickens' failed Gulf takeover bid 1984; nearly $70 million profit. Lately went after Phillips Petroleum, Unocal; neither successful. Donating up to $10 million to pay gas bills of poor in San Antonio. Share equally business empire believed worth at least $900 million.

Joe Lewis Allbritton

Broadcasting, banking, publishing. Houston; Washington, D.C. 60. Married, 1 son. Born in D'Lo ("Damn Low"), Miss. Father owned Houston cafes. Joe became millionaire by age 30 after cofounding San Jacinto, Tex. savings and loan. Bought, sold now-defunct *Washington Star*, other businesses; unsuccessful offer for New York's *Daily News* 1982. Began acquiring Riggs National Bank stock 1981; now chairman, 41% owner. 100%-owned Perpetual Corp. owns Allbritton Communications (5 papers, 5 TVs); insurance, real estate, funeral homes. Also 3 Houston banks. Collects art. "A giant at 5 feet 2." Net of debt, worth at least $450 million.

Kirk Kerkorian

Trading, investments. Los Angeles and Las Vegas. 68. Twice divorced; 2 children by 2nd wife. Son of Armenian immigrants; quit trade school to help support family. Became amateur lightweight boxer 1930s. Repaired and sold junk cars before WWII, DC-3s after. Built charter airline, sold to Transamerica 1968 for some $100 million. Broke even buying, selling Western Airlines 1970s. Big profit ($70 million) in Columbia Pictures battle 1981. Now selling his half-interest MGM/UA to Ted Turner *(which see)* for $748 million, plans to buy back UA for $470 million. Lets "inner circle" manage companies. With 72% MGM Grand Hotels, deducting leverage, worth at least $450 million. Motivation: "It's not the money."

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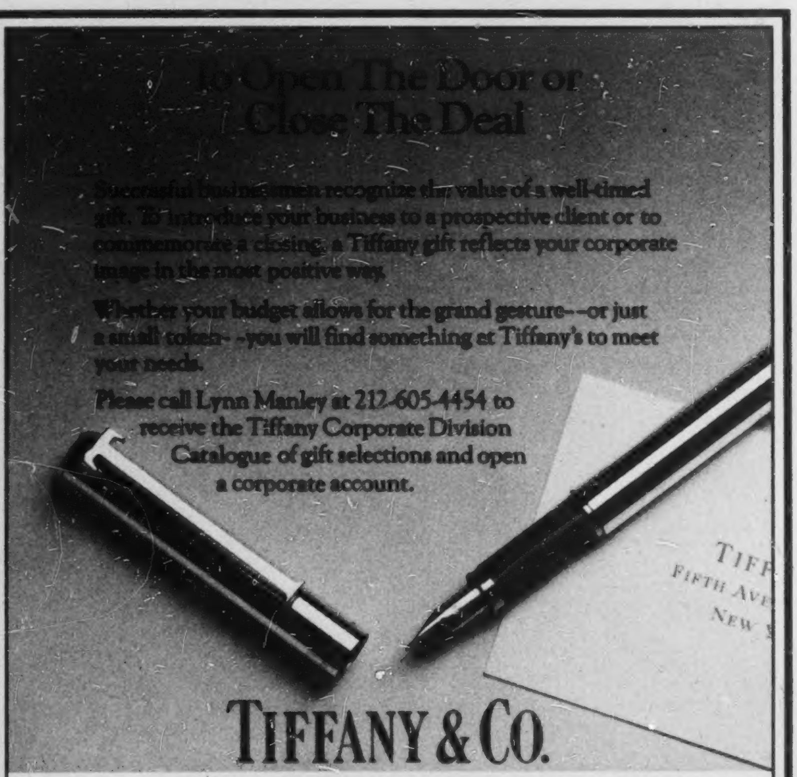
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Roger Milliken

Gerrish Hill Milliken

Minot King Milliken

Brothers and cousin. Textiles. 69, 68, 69. Dry goods wholesaler Deering, Milliken & Co. founded 1865 by grandfather Seth and William Deering. As selling agent for southern mills helped finance, held equity in suppliers until wrecked by Depression. Deering left to start International Harvester; Milliken & Co. now world's largest private textile firm. Roger: Spartanburg, S.C. Married, 5 children. Patriarch and president since 1948. Pioneered use of modern machinery: "A man must fit into the age in which he lives." Benevolent dictator: appointed nonfamily successor; made self chief executive officer. Bitter on recent import barrage: "Protectionism is the inevitable response. . . . The days of free capitalism are gone." Brother Gerrish: Greenwich, Conn. and NYC. Married; 4 sons, 1 daughter. General manager, handles automotive fabrics from NYC office. Cousin Minot: NYC. Married; 4 sons, 1 daughter. Company treasurer. Despite flat market, firm still worth in excess of $475 million; also 40% Mercantile Stores stock. Roger key owner; worth at least $450 million. Gerrish: $300 million. Minot: $150 million.

Wilton Robert Stephens

Jackson Thomas Stephens

Brothers. Investment banking, oil and gas, banking. Little Rock, Ark. Witt: 77. Widowed, remarried; 3 children. Jack: 63. Divorced, remarried; 5 children. Witt started out selling belt buckles, then switched to depressed municipal bonds 1933. With Jack founded Stephens, Inc. 1946. Now largest investment bank off Wall Street: $320 million capital base. Also own Arkansas Oklahoma Gas, worth $500 million. Paid $44 million for Denver's Atlantic Oil 1983. Own controlling interest in Worthen Banking Corp., Arkansas' largest bank holding company, worth $31 million. Witt a power in Arkansas politics; Jack now taking over for aging brother. Combined net worth exceeds $860 million. Jack won't confirm, "But you be sure to come and see us sometime, you hear?"

Robert L. Moody

American National Insurance. Galveston, Tex. 50. Divorced, remarried; 3 children by first marriage, 1 by second. Grandson of William Lewis Moody Jr. (1865-1954), cotton broker, founded ANI 1905; 1907 law forcing out non-Texan insurers was vast bonanza; 1984 assets $3.5 billion. Built banking, ranching, media empire; largest U.S. hotel chain 1930s. On death, left much to foundation, control to daughter Mary Moody Northen, now 92, touching off years of family lawsuits. Her nephew, Robert, emerged on top 1979 when bought control of family's Moody National Bank from foundation. Through bank, recently gained formal control over family trust. With 41% ANI, hotels, etc., wealth exceeds $425 million.

Abby Milton Rockefeller O'Neill

Inheritance. Oyster Bay, NY. 57. Married, 6 children. "Mitzi" one of two daughters of Abby Rockefeller Mauze (d. 1976), oldest child of Standard Oil heir John Davison Rockefeller Jr. With husband, businessman George D. O'Neill, serves on boards of several local community service groups, mainly for youth and family counseling; also Visiting Nurse Association. Trustee of Rockefeller Brothers Fund, Colonial Williamsburg. Her fortune, from trusts, at least $425 million. *(See also other Rockefellers.)*

Cordelia Scaife May

Inheritance. Ligonier, Pa. 57. Divorced, widowed; no children. Granddaughter of Richard Beatty Mellon, 3rd Mellon to run family bank. Brief marriage to Herbert A. May Jr. 1950. Wed longtime friend Robert Duggan, Pittsburgh D.A., 1975. Like brother Richard Mellon Scaife *(which see)*, inherited over $200 million from Mellon mother 1965. Two reportedly haven't spoken since 2nd husband's death in shooting accident 1973. Lives modestly, supports population control, other "liberal" causes. In family tradition, funds emerging companies through Roldiva Inc., named after a favorite steeplechaser. Net worth from trusts should exceed $400 million. *(See also Mellons, Conover, Milbury.)*

83 members of The Forbes Four Hundred have fortunes derived principally from real estate. (In 1984, 71.)

Carl R. Pohlad

MEI Corp., banks. Minneapolis. 70. Married, 3 sons. Left college to sell cars. Took control Minneapolis bank holding company after brother-in-law CEO died 1955. Later bought, turned around 30 small upper Midwest banks; total assets $2.5 billion. Turned failing bus firm, early 1970s, into 3rd-largest Pepsi bottler: MEI sales $734 million 1984. Friend, sometime partner Irwin Jacobs: "He's the definition of standards on doing business." Bought Minnesota Twins (baseball) 1984 for reported $35 million to keep in Twin Cities. With 4 million MEI shares, banks, real estate, etc. worth over $400 million. "I don't care how many boats I miss. I just don't want to catch the one that sinks me."

Oveta Culp Hobby

Broadcasting. Houston. 80. Widowed, 2 children. Texas. House of Rep. parliamentarian age 20; ran for legislature age 25, lost. Married former governor, *Houston Post* publisher William Hobby (d. 1964); added TV, radio. Self-described liberal Republican: HEW Sec'y under Eisenhower. Numerous honors; public and private pro bono appointments 1941 on: 3½-inch entry in *Who's Who*. Collects old silver, rare books. Son William Jr. now Texas lt. governor; daughter Jessica Catto publishes *Wash. Journalism Review*. Sold *Post* 1983 for $130 million; bought Cowles Broadcasting for $183 million. Today H&C Communications 5 TV stations, 1 radio. Wealth in name of heirs, largely controlled by Oveta, exceeds $400 million.

Henry Earl Singleton

Teledyne. Los Angeles. 68. Married, 5 children. Learned discipline at Annapolis, engineering at MIT, conglomerating at Litton Industries. Left 1960 to pursue dream: building a giant. With Litton colleague George Kozmetsky *(which see)*, backing from Arthur Rock, built Teledyne 1960s. Quit acquiring 1969; content buying over 20% each of 5 large firms. Said 1966: "General Motors, AT&T, U.S. Steel, Du Pont—I want to build a company of that type." At $3.5 billion sales, largest U.S. producer zirconium; Water Piks. Tight-lipped: Teledyne President George Roberts learned of $400 million stock buyback after fact. Plays chess from memory. With 14% Teledyne, other assets, worth over $400 million.

George Phydias Mitchell

Oil, real estate. Houston. 66. Married, 10 children. Greek immigrant father had shoe-shine stand, laundry. George worked way through college. After WWII "I did the engineering and geology, and [brother] Johnny would go down and sell the [oil] deals at the Esperson Drugstore in downtown Houston." Bought oil properties when everyone else sold, land when real estate crashed. Channeled profits into government-backed, 25,000-acre planned community near Houston. "A lot of my colleagues in the business world can't hardly wait to turn 65 and get out on the golf course. I just don't understand that." Owns over 62% Mitchell Energy worth over $400 million.

Peter Stephen Kalikow

Real estate. NYC. 42. Married, 1 son. Kalikows longtime builders, owners row homes in outer boroughs; father Harold (d. 1983) built in Manhattan. Son Peter heads H.J. Kalikow & Co.: 6,000 NYC apts.;

co-oping Queens apts., holding on in Manhattan; building new high-priced rentals. Also office buildings: Risked big at 101 Park Ave., hit booming office market just right 1980; equity about $100 million. Recently renovated former AT&T HQ downtown; plans 60-story hotel next door. Bought 1,200-unit East Side tenement block Jan., plans 1,700-unit luxury high rises. Stubborn; no partners: "We don't have time to deal with idiots. It takes time from my day." Foreign car buff. Estimated net worth: over $375 million.

John Jeffry Louis Jr.

Inheritance. Winnetka, Ill. 60. Married, 3 children. Mother, Henrietta, a Johnson of Johnson Wax *(see also Samuel Curtis Johnson)*. Director various corporations (Gannett, Butler International), trustee, fundraiser Northwestern University. Activities: philanthropy, investing, Republican check writing. Ambassador to Britain 1981: praised for ceremonial skills, blamed for lack of experience. "I took the risk and gamble of jumping into something I knew nothing about." Resigned 1983, reportedly under pressure. Recently elected to Baxter-Travenol board. With family's 30% stake Johnson Wax, other holdings, worth at least $370 million.

Jane B. Engelhard

Inheritance. Far Hills, N.J. 67. Twice widowed, 5 daughters. Father was Brazilian diplomat. Second husband: Charles Engelhard Jr. (d. 1971), legendary precious metals tycoon, racehorse enthusiast, prototype for James Bond character Goldfinger. He inherited father's Engelhard Minerals & Chemicals (now Engelhard Corp.), controlled stock through holding companies. With Jane, epitomized international jet set. Her daughter Anne (Mrs. Samuel P.) Reed New York society doyenne; gradually taking reins from Brooke Astor. Jane still serves on board Metropolitan Museum of Art but generally lives quietly at "Cragwood." Counting her inheritance and daughters' (she controls trusts), fortune exceeds $365 million.

John Thomas Lupton

Coca-Cola bottler. Chattanooga, Tenn. 59. Married, 4 children. Grandfather John T. used piece of patent medicine fortune to finance first Coke bottling plants with 2 partners 1899; died 1933. Father Carter bought, sold Coke franchises frantically; ran business until he died 1977. "Jack" started 1954, learned business as bottle washer. Former Coca-Cola board member (stepped down 1983), scolded management for fearing change. Now largest U.S. bottler; Houston, Dallas, Fort Worth, Austin, Phoenix, Denver. Volume exceeds $650 million. "Surround yourself with some damn good people and let those people have real responsibility." Golf lover, built Honors Course near Chattanooga. Net worth more than $360 million.

69 members of The Forbes Four Hundred have fortunes derived principally from media enterprises. (In 1984, 59.)

Malcom Purcell McLean

McLean Industries. NYC. 71. Married, 3 children. North Carolina farm boy, son of mail carrier. In Depression put $30 down on used truck. McLean Trucking became one of country's largest. Sold for $6 million 1955, turned to shipping when feds vetoed combined water/land transport. Built up Sea-Land Services: invented revolutionary containerized cargo, drastically cut theft, labor. "McLean was never one to be carried away by the romance of ships." Sold to R.J. Reynolds 1969 for $160 million. Next, McLean Industries: plantation, other real estate; shipping again 1978—acquired ailing U.S. Lines. Public 1983. 1984 revenues: $959 million. Adding world's largest container ships. His 90% of MI worth over $360 million.

Leon Hess

Amerada Hess Corp. NYC and Deal, N.J. 70. Married, 3 children. Fresh out of high school took charge bankrupt family fuel delivery firm N.J. (1933). Drove mortgaged company truck, sold by day, delivered by night. Federal oil contracts won by aggressive bidding, entered storage business 1938. Patton's petroleum supply officer WWII. First refinery 1958, service stations 1959, Amerada (big reserves) 1969. Meticulous control; owns 12% stock. 1984 sales: $8.3 billion. "He knows every nut and bolt in his refinery and what every valve in it will do." Benefited from government oil regulation; politically well-connected. Moved his NY Jets to New Jersey 1984. Minimum net worth: $360 million.

Luigino Francesco Paulucci

Food processing, real estate. Sanford, Fla. and Duluth, Minn. 67. Married, 3 children. "Jeno," son of poor Italian immigrants, sold produce outdoors as "barker" age 16. "Discovered" low-cost bean sprouts, in 1944 borrowed $2,500 to make canned Chinese food. Expert promoter, cost manager; Chun King ruled market; sold 1966 to R.J. Reynolds for $63 million. Moved into frozen pizza, snacks 1967 with Jeno's; gave company to his children. "I've been known too long as a chop suey and pizza peddler." Began buying cheap land near Orlando, Fla. 1950s; now over 7,000 acres. Also Heathrow; selling 3,500 as ½-acre plots at $100,000; buyer must build minimum $250,000 house. With other investments, net worth estimated at more than $350 million.

Jack Rudin

Lewis Rudin

Brothers. Real estate. NYC. Father Samuel and brothers founded Rudin Management 1924 to run hand-

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ful of tenements. Jack: 61. Widowed, 3 children. Lewis: 58. Twice divorced, 2 children. Both joined firm 1946; today own 4,000 apts. in 25 well-situated buildings. Also over 6 million square feet office space, most highly profitable and built before 1972. Long-held family philosophy: Never sell (still own first building, bought 1902). But interest rates, rent guidelines now forcing to co-op apts.: "We have been the lone holdout, and we can't handle it anymore." Building midtown office tower. Jack chairs NYC Marathon committee (gives annual "Rudin Trophies"). Lewis is founder-chairman Association for a Better New York. Share minimum net worth exceeding $700 million.

Katharine Graham

Washington Post Co. Washington, D.C. 68. Widowed; 3 sons, 1 daughter. Father Eugene Meyer built up predecessor Allied Corp. Bored in retirement, purchased bankrupt *Washington Post* 1933; built to respectability, profitability. Kay, husband Philip took over 1946, expanded; bought *Newsweek* 1961. Since Philip's death 1963, her direct but low-key management style efficient, respected. Newspaper broke Watergate story 1972. Also 4 TV stations (total revenues nearly $1 billion 1984). Son Donald, 40, *Post* publisher since 1979: "My mother has given me everything except an easy path to follow." She controls majority voting stock. Graham fortune over $350 million, much in children's names and trusts.

Donald Worthington Reynolds

Publishing. Fort Smith, Ark.; Las Vegas. 79. Thrice widowed, 3 children. 1927 journalism grad, fired from first 2 jobs: "They've both since gone broke." Bounced from paper to paper; helped publish *Yank* magazine WWII. Since war, built Donrey Media Group: 109 publications (53 dailies); TV, radio stations; billboards; small shopping centers. Briefly owned Thoroughbreds; now into cellular radio, fish farming: "You can eat catfish." Still "bullish on cable." Named friend and cable partner Robert Howard *(which see)* estate executor. Children not interested; foundation set to inherit business worth over $350 million.

Robert Rich Jr.

Food products. Buffalo, NY. 72. Married, 3 children. Family produced dairy products; Robert pioneered nondairy replacements applying lessons learned with War Food Administration. First: soybean-based whipping creme; then, the creme de la creme: Coffee Rich creamer (1960). Now, son is company president. Major growth through acquisition, primarily frozen food, family-dominated companies: "nepotism works." Sales $535 million. Family heavily involved in local sports: name on NFL arena; Bob Jr. vice chairman of hockey franchise, heads class AAA Buffalo Bisons (baseball). Intensely loyal to Buffalo but frequents Palm Beach. Net worth exceeds $350 million.

Sigfried Weis

Robert Freeman Weis

Cousins. Weis Markets, Inc. Sigfried: Lewisburg, Pa. 69. Robert: Sunbury, Pa. 66. Both married, each 3 children. Expanded family's Pa. grocery store operation (begun by grandfather Sigfried as Selins Grove general store 1870) into 121-supermarket chain in 4 states. Margins more than 4 times industry average on $958 million sales. Sig's flip secret: "We have superior management"; i.e., careful attention to cost, quality, distribution ("We count sheets of toilet paper and facial tissues"); unusually low "shrinkage," i.e., employee theft. More than 1,500 private-label products; nonunion; buys much produce from locals. Also Amity House family-style restaurants (ice cream, sandwiches). Soft-spoken Sig, president, collects antiques, owns 35% Weis stock worth over $350 million. Behind-scenes Robert, vp, active in store expansion, owns 28% worth $285 million; sister Ellen, another $98 million.

Edwin Lochridge Cox

Oil. Dallas. 63. Widowed; 2 sons, 1 daughter. Born Ark.; in Tex. oil since 1946. One of nation's biggest independent oilmen; most production in Tex., La.; also Colo., Okla. Very active in corporate boardrooms: director InterFirst Corp., Halliburton; former chmn. Sedco, Keebler. "Pleasant, engaging fellow"; helped develop E.L. Cox School of Business at Southern Methodist U. 1978. On Dallas civic, education boards. Son Berry, in business with him, is son-in-law of former U.S. Sen. John Tower (R–Tex.). Other son, Edwin Jr., has own vast agribusiness. Sliding oil prices, production, but net worth believed at least $350 million.

Marshall Field V

Frederick Woodruff Field

Half brothers. Inheritance, media. Original Marshall Field started as Chicago salesman 1850s; built Marshall Field & Co. into world's largest department store. Marshall III sold store 1941; started *Chicago Sun*, added *Times* 1948, built Field Enterprises into substantial media empire. Marshall IV inherited (d. 1965, at 49). Harvard-fresh Marshall V joined *Sun-Times* after college, 4 years later became publisher (at 28). Shared company (5 TV stations, cable, *Sun-Times*, etc.) with incompatible half-brother Frederick (Ted) who prompted recent $400 million liquidation. Marshall: Chicago. 44. Divorced, remarried; 3 daughters, 1 son. Conservative, contemplative. Bought Ted's share of real estate arm Cabot, Cabot & Forbes; now main engine. Recently spent $25 million for Pioneer Press from Time Inc.; educational publications from Xerox. "I'm a believer in digesting what you do." Ted: Los Angeles. 32. Separated, 1 daughter. Mother, editor of *Christian Science Monitor*. Quit racing cars, now producing movies, TV shows under Interscope Communications. Recently bought Panavision in partnership from Warner Bros. "I'm not obsessed by carrying the [family] torch." Each owned over 40% of firm (sisters had nonvoting interests). Marshall worth at least $350 million; Ted at least $275 million.

Leonard Samuel Skaggs

American Stores. Salt Lake City. 62. Married, 4 children. Father L.S. Sr. founded Safeway chain with 5 brothers. Started Skaggs Cos., Inc. 1939. L.S. Jr. inherited firm 1950, at 26. He and partner Joe Albertson *(which see)* engineered retail fantasy 1970: combined grocery with drug stores. Result: mega-profits. Parted friends 1977, but Wall Street wary: stock dove 25% after breakup. L.S. then built Skaggs into third-largest drug chain. Merged with American Stores 1979. Bought rival Jewel Cos. 1984; salmonella outbreak 1985 hurt profits. Donated 6,200-acre Idaho ranch 1985 to Brigham Young U. Secretive: no publicity photos. His 19% AS, etc. worth at least $350 million.

Allen E. Paulson

Gulfstream Aerospace Corp. Savannah, Ga. 63. Divorced twice, 3 sons. Self-supporting since 13. Cleaned hotel rooms, sold newspapers, milked cows; became TWA mechanic age 19 for 30 cents/hour. Pilot; inventor; learned by taking apart engines, flying jets. Developed new oil valve, launched business 1951. Designed own plane 1970s. Bought Grumman general aviation div. 1978, Rockwell Int'l div. 1981, went public 1983. Bought 34% troubled Wheeling-Pittsburgh Steel Corp. 1983, took on personal debt estimated $150 million. Reported in cash squeeze. Sold Gulfstream to Chrysler Corp. Aug.; his share: $450 million, using to wipe out debt. Net worth in stock, horses, ranches, oil at least $350 million.

64 members of The Forbes Four Hundred have fortunes derived principally from oil and gas (in 1984, 74).

The Forbes Four Hundred

Roy Hampton Park

Park Communications. Ithaca, NY. 75. Married; 1 son, 1 daughter. Farm boy who started at N. Carolina State Univ. age 15; worked way through writing for AP, running college paper. Worked in public relations, advertising. Cofounded Duncan Hines cake mix business 1949; merged into Procter & Gamble 1956. Saw shift from print to TV advertising; bought first TV station Greenville, N.C. 1962. Went public 1983. Today 7 TV, 16 radio stations; 77 publications (27 daily newspapers). Workaholic, detail-minded. "When things are running smoothly, I get bored." Collects classic cars, watches; wife raises peacocks. With 89% Park, other stocks, real estate, net worth at least $350 million.

Oakleigh Blakeman Thorne

Commerce Clearing House. Millbrook, NY. 53. Divorced, remarried; 3 sons, 1 daughter. Great-grandson of CCH's thrifty founder who bought company 1907, six years before federal income tax introduced. Publishes updatable loose-leaf translations to plain English of tax law, court decisions, etc. IRS biggest subscriber. 1984 sales over $400 million. Firm in Chicago, Oakleigh in New York; detached: "I don't really have a management function." Company now dabbling in electronic publishing; Oakleigh raises horses but doesn't ride (has given up pig farming); runs alongside wife when she fox hunts. Son attends Columbia business school, training to be CEO like his father. With immediate family's 46%, net worth exceeds $340 million.

Sumner Murray Redstone

Movie theaters, investments. Newton Centre, Mass. 62. Married, 2 children. Son of drive-in theater operator. As Harvard student, broke Japanese codes for military WWII. After brief law practice, quit for business 1954. Built over 300 theaters for his National Amusements Inc.; 1984 revenues $135 million. Cagey investor; made killings in 20th Century-Fox, Columbia Pictures takeovers. Sold back 7% MGM/UA Home Entertainment to company 1985 for $64 million. Trapped in Boston hotel fire 1979; with burning hands, hung from window until rescued; now says his life "shows where a compulsive, obsessive, combative, aggressive spirit can lead one." Net worth, including 5% Loews Corp., over $340 million.

Helen Kinney Copley

Publishing. La Jolla, Calif. 62. Divorced, widowed; son by 1st marriage. Second husband James S. Copley, adopted son of newspaper magnate Colonel Ira Copley (d. 1947). Helen, Hunter College dropout, answered classified ad, became secretary, confidante. Married 1965; took over Copley Press on husband's death 1973. Saw papers as poorly managed, run as political forum. Hired speech professor, overcame public shyness. Sold properties, pruned management, improved content; carefully expanded. Then 9 dailies; now 11, including flagship *San Diego Union/Tribune*. Son David, 33, being groomed for top position. James' 2 children from previous marriage retain small interest; Helen's nearly 90% worth estimated $335 million.

Marshall Edison (Doc) Rinker

Cement. Palm Beach. 80. Widowed, 3 sons. Sold "rock-sand-muck" 1926 from back of truck. Survived on penny-pinching, long hours—employees still work 55-hour, 6-day week: Doc pleasure-tours cement plants Sunday. Rinker Materials now largest Florida cement company. Corporate philosophy: "Conservative but not chicken." Paternalistic: Doc "kicks [employees] in the pants when they need it and pats 'em on the head when they do good." One son was briefly president, other two in management. Rumor of family squabble blocked proposed $350 million company sale 1984. Doc still firmly in control: "I'm going to keep going until I die. Then God will handle it." Company stake, big land holdings worth at least $315 million.

John H. Krehbiel Sr.

Molex Inc. Downers Grove, Ill. 79. Married, 2 sons. Father Fred combined waste from TNT, asbestos production, produced low-cost plastic (Molex). With sons Edwin and John Sr. founded company 1938. Went public 1972. Initially produced plastic flower pots and toys. After John became president (1947), moved into electrical components. Strategy: "In every case, a less expensive product made with a less expensive material in a less expensive way." First home appliances, later worldwide sales high-tech components. John Sr. now chairman, both his sons in business. Controls 50% of firm, worth some $315 million.

Leon Levine

Family Dollar Stores. Charlotte, N.C. 48. Married, 4 children. At 13, after father's death, helped mother run family store. Opened first Family Dollar at 21. "I felt my talents were greater than spending 30 minutes selling a $50 suit." Strategy: small-town small stores with no frills extending no credit. Had 100 by 1971, 1,000th to open by Christmas. Expansion funded solely by internally generated cash. Tight controls: prices and orders set by central office, inventory checked often, annual employee lie detector tests. Cousin Lewis, president: "Most people are basically honest. They just need a little help sometimes." 1984 sales: $341 million. Leon's 43.6%, plus net from shares recently sold, worth at least $315 million.

45 members of The Forbes Four Hundred have fortunes derived principally from financial operations. (In 1984, 48.)

William Randolph Hearst Jr.
Randolph Apperson Hearst
David Whitmire Hearst
George Randolph Hearst Jr.
Phoebe Hearst Cooke

Children of William Randolph Hearst (d. 1951), whose father, George, silver miner, Calif. senator, bought failing *San Francisco Examiner* 1880. Gave to William 1887, who became America's most flamboyant and controversial *(Citizen Kane)* media baron: outsensationalized Pulitzer *(which see)* during great NYC press wars. Established country's most massive newspaper chain: "Newspapers seem just naturally to keep coming to me to be taken over." Today 15 dailies (flagship: *Examiner*), 13 U.S. consumer magazines (*Good Housekeeping, Cosmopolitan*; also specialty, overseas), 6 TV stations (deal to buy $450 million Boston WTKK-TV is pending), 7 radio, cable, books, real estate, timber. Three of 5 sons surviving. Gained control 1974, despite WRH's will, by having foundations sell out to family trust. William Jr.: NYC. 77. Twice divorced, remarried; 2 children. Editor-in-chief Hearst Newspapers from 1955; Pulitzer-winning column 1956. Pruned company; now *Examiner* publisher. Heads key family trust. "I didn't want to be loved, I wanted to be effective." Registered Democrat. Brother Randolph: Hillsboro and Paso Robles, Calif. 69. Divorced, remarried; 5 daughters (incl. Patty) by first wife. *Examiner* president. Brother David (Randolph's twin): Beverly Hills. Married, 2 children. Ran *Los Angeles Herald-Express* 1950-60, semiretired from 45; reclusive. Their nephew George Jr.: Los Angeles. 58. Divorced, remarried; 4 children. Ran LA paper (renamed *Herald-Examiner*) 1962-77; since, oversees real estate. Niece Phoebe (Mrs. Amory "Jack" Cooke): George's twin. Woodside, Calif. 58. Divorced, remarried; 1 daughter. With current husband, played large role in fight to gain control Hearst Corp.; now company director. Each brother has 20% interest in minimum $1.5 billion family trust. George and Phoebe share 20% from father George Sr. (d. 1972). Remaining 20% held by 4 children of John Hearst Sr. (d. 1958).

16 members of The Forbes Four Hundred have fortunes derived principally from agriculture. (In 1984, 21.)

Larry Fisher
Zachary Fisher

Brothers. Real estate. NYC. Larry: 76. Zachary: 75. Both married, each 1 child. Third generation of family in NYC real estate. Built Queens apts. 1930s, moved to Manhattan 1960s. Own several well-placed, huge midtown buildings (Park Ave. Plaza, Stevens Tower, Burlington Building, etc.). Two sons, 3 nephews in business. Respected for good architectural sense, though recently bid to tear down Lever House, landmark early glass office tower. When Daniel Ludwig *(which see)* left NYC real estate about 1972, kept interests with Fishers. Also Miami hotels, NJ shopping centers. Larry: tough negotiator, baseball fanatic, secretive. "I am not the sort of guy who likes to see his name in the newspapers." Zachary: bankrolled conversion of 900-ft. aircraft carrier *Intrepid* into floating museum. Share net worth at least $600 million.

Robert William Galvin

Motorola. Barrington, Ill. 63. Married, 4 children. Father Paul began Motorola 1928 with $565, pioneered car radios; television (d. 1959). Robert president in 1956, now chairman. Shed traditional products. Now dynamo international producer of semiconductors and communications equipment (1984 sales $5.5 billion). Accelerating transfer of company production to Far East. "We will do what we have to in order to survive. . . . We are defecting from this country." Urges opening Japanese markets or closing American. Heads Reagan's Advisory Council on Private Sector Initiative. With wife, has 8.5 million Motorola shares, worth $300 million; other assets.

Ernest Gallo
Julio Gallo

Brothers. Wine. Modesto, Calif. 76, 75. Both married; each, 2 children. With $5,900, determination, started wine press 1933. Sold wine half-price for 50 cents a gallon, made $30,000 in Depression-ridden first year. Ever since, smiling Julio squeezes the grapes; fierce, entrepreneurial Ernest pinches the pennies: "I've never lost money." Today largest U.S. vintner; some 25% of U.S. market (Boone's Farm, Thunderbird, Hearty Burgundy, etc.). Integrated manufacturer: grows, picks, squeezes, bottles, distributes, collects; industry price leader. First to hire research chemists, use stainless steel tanks, automate, computerize operations. Secretive: no public tours; no figures released. "Any disclosure is extremely distasteful." Despite flat market, volume up over 1983 (over $600 million). Recently adding wine coolers. Future leadership uncertain: No heir apparent, but second generation involved. "Isn't it likely that the same ingenuity that built this business must have also been used to provide for that contingency?" Joint net worth exceeds $600 million.

William Clay Ford
Henry Ford II
Josephine Clay Ford

Brothers and sister. Grandchildren of Henry Ford. Their Class B Ford Motor Co. 40% of voting stock.

Henry II: 68. Palm Beach. Twice divorced, remarried; 3 children by 1st wife. Named Ford director 3rd year at Yale; never graduated. Joined embattled giant after father's death (1943), "insisted on doing the dirtiest tasks." Two years later won leadership in dramatic showdown, turned millions of dollars in losses to hundreds of millions in annual profits. Key role in reconstruction of downtown Detroit as well as successes and failures of Ford Motor. "People that don't do anything are the ones that really get in trouble." Loved and loathed. Retired as chairman 1980. With immediate family's stock, art, etc., net worth about $225 million. Josephine (Dodie): 62. Grosse Pointe, Mich. Married, 4 children. Husband Walter B. Ford II from unrelated old Detroit banking family. CEO of Ford & Earl Associates, design corporation. Major contributors Detroit Institute of Arts. Her stake worth $170 million. William Clay: 60. Grosse Pointe Shores, Mich. Married, 4 children. Also director while at Yale; now vice chairman. Reportedly declined caretaker stewardship after brother retired. Owns Detroit (football) Lions. Highly competitive, excellent athlete. "Believes that he could have made it on his own if he had begun with nothing." For 6 days, Eugene McCarthy's running mate (1976). Wife is Martha Firestone. With stock, personal golf course, real estate, minimum net worth exceeds $300 million.

John William Berry

Yellow Pages. Dayton, Ohio. 62. Twice divorced, 5 sons. Father Loren, poor boy from Wabash, Ind., sold horseradish door-to-door age 8, later ad space for railroad schedules. Came to Dayton 1910 with $200; persuaded telephone companies to let him sell directory ads; earned nickname "Mr. Yellow Pages." Often paid with telephone stock. Died a Dayton legend at age 91. John now runs L.M. Berry Co., one of largest worldwide publishers of Yellow Pages ($700 million sales). With partner Compu-Serve, launched The Electronic Mall videotex service 1985 as alternative to real malls. Low-key, big Republican booster. With immediate family, net worth over $300 million.

19 members of The Forbes Four Hundred have fortunes derived principally from retailing. (In 1984, 19.)

Laszlo Nandor Tauber

Real estate. Potomac, Md. 70. Divorced, remarried; 2 children. Champion teenage Hungarian gymnast; surgeon 1942. Nazi camp 1944, second escape successful. To U.S. 1947 with $700. Invested in real estate early 1950s; financed own hospital. Now largest office landlord of U.S. government: over 3.5 million square feet D.C. Initial rent low; huge increases on renewal: "We are counting the days." Also NYC properties; owns nearly 80%, rest tax shelters for friends. Gives millions to Holocaust studies; also 50 families Hungary, Israel, etc. Still chief of surgery; still searches for those who helped him in past. "Surgery is the satisfaction of my life. Living in the past is my love." Net worth over $300 million.

Jack Parker

Real estate. NYC, Boca Raton, Fla. 70. Married, 2 children. Son of blouse manufacturer; started in Depression as lumber salesman; own company 1946. Sold it 1954, retired. But "I couldn't stand staying still. I had no place to go." Three weeks later started construction company; suburban homes 1950s, then took big risk: 1,352-unit luxury apt. complex in Forest Hills, NY (Parker Towers). It worked. Expanded into Manhattan, N.J., Fla. 1960s. Built Parker-Meridien Hotel midtown Manhattan; Parker's nameplate on hotel office: "Jack Parker—he owns the whole shebang." Co-oped most of 2,000 apts. on East Side; using profits for suburban office/hotel projects, Tampa apts. Net worth at least $300 million.

Leonard Samuel Shoen

U-Haul. Las Vegas; Scottsdale, Ariz. 69. Widower, thrice divorced, remarried; 7 sons, 5 daughters. Cut hair to finance Oregon med school tuition, suspended 1944 (covered for lab partner). In Navy boot camp, driving to visit first wife, saw need for move-it-yourself vehicles. Started U-Haul Portland 1945 with $3,000, homemade trailers (taught self engineering, accounting, welding): "I hope to make the rental trailer as common as Coca-Cola." Came close: now 90,000 trailers, 70,000 trucks, $757 million sales. U-Haul "commanders" (managers) urged to use per diems at McDonald's. Started home equipment rentals 1983. LS controls parent Amerco, 92% owned by family; worth at least $300 million.

Ted Arison

Shipping. Miami Beach. 61. Married, divorced, remarried; 2 children by first marriage, 1 by second. Born Palestine; father owned largest Palestinian shipping line. Ted left Tel Aviv 1952; built cruise ship line from scratch. "I wanted to be a self-made man." Carnival Cruise Lines now 5 luxury "fun" ships. Two more being built. On-board gambling, live music; ships at 100% capacity. Revenues over $250 million; offshore corporation pays no U.S. taxes. Also banking, cargo shipping, real estate (luxury condo Miami, housing projects), Nassau casino; plans 750-room hotel. Son Mickey, 35, acting president. Supports artists' community via foundation: "I'd rather be a pianist, a national treasure, but it didn't work out that way." Net worth is estimated to be at least $300 million.

Carl Henry Lindner II

Insurance, banking. Cincinnati. 66. Married, 3 sons. High school dropout; worked in family's dairy business in Depression age 14; started ice cream store 1940 with brothers, $1,200. Built United Dairy Farmers to 200-store chain. Entered S&L business 1950s as American Financial Corp., added casualty insurance 1971. Uncomfortable with public, SEC scrutiny; took firm private 1981. Major stakes in some 7 public companies incl. United Brands, Gannett. Outbid Chemical Bank, reopened Cincinnati's moribund Home State Savings Bank 1985. Philanthropic, strict Baptist; known for 16-hour workdays. Brother Robert has minor interest; Carl, approx. 90% AFC. "I'm just the coach." With banking, etc., fortune believed to exceed $300 million.

Leonard Marx

Real estate. Scarsdale, NY. 81. Married, 3 children. Graduated Yale 1920s, became broker. Dealt in chain store properties, switched to shopping centers. Now owns downtown real estate in various cities ($50 million worth NYC alone), many shopping centers nationwide. "We don't sell, just buy." Leonard Jr. in the business. Expanding, upgrading centers; little new building until tax debate settles. Self-effacing on success: "Are you talking about my bridge game or my business?" Knowledgeable peers say net worth at least $300 million. He denies it.

Walter Herbert Shorenstein

Real estate. San Francisco. 70. Married, 2 children. Born in Glen Cove, NY; demobilized 1945 in San Francisco with separation pay. Got commission job as real estate salesman for Milton Meyer & Co.; became partner 1951; sole owner upon Meyer's death 1960. Controls some 25% of prime SF office space—over 12 high rises; also Los Angeles, Houston, Kansas City, White Plains. Much with institutions, some with Swig and Weiler families *(which see)*. Owns outright over 2 million square feet office space; manages another 10 million. Heavy Democratic fundraiser. Son Douglas, 31, became president Milton Meyer 1985; daughter runs 3 SF theaters. Undeterred by softening office real estate market: "It's a question of staying power." Estimated net worth at least $300 million.

Sydney Mark Taper

First Charter Financial Corp. Los Angeles. 83. Widowed, 3 children. Warsaw born, schooled in England; playground entrepreneur: sold candy to classmates. Bought real estate firm at 27, built homes in Britain during Depression, "retired" 10 years later. Came to California ahead of WWII; built, financed homes for GIs. Founded First Charter 1955; took public 1959. Brought lunch to work; revolving-door management, but made First Charter 3rd-largest S&L. Merged with Financial Corp. of America 1983. Taper's controlling 35% brought over $285 million. With other assets, net worth estimated at $300 million. Ex-employee: "However much he's worth, he's still got the original dime."

Gerald Douglas Hines

Real estate. Houston. 60. Divorced, remarried. Two children by first marriage, one by second. Building systems engineer 1950s with real estate sideline: started with $16,000 conversion of frame house into offices; went full-time 1957. Still small operator 1966, but got bid for Shell Oil 50-story Houston offices. Built famed Galleria; went nationwide 1970. Now owns, often with half-interest partners, nearly 70 million sq. ft., mostly commercial space, in 34 cities. Building first 2 projects NYC. Known for striking architecture (Pennzoil Place), renowned architects (Philip Johnson, I.M. Pei). Johnson: "No developer interested me until he came along." Minimum net worth: $300 million.

12 members of The Forbes Four Hundred have fortunes derived principally from high technology. (In 1984, 15.)

Neil Gary Bluhm

Judd David Malkin

Real estate. Chicago. Childhood friends in Chicago working-class neighborhood, college roommates U. of Illinois. CPAs; quit respective jobs to start JMB Realty Corp. in 1969 with one other since-departed partner. With assets over $1 billion, JMB now one of largest syndicators in the nation. Chicago developer: "They're very competent buyers in a business that is often tainted by get-rich-quick schemes." Chairman is Malkin: Winnetka, Ill. 47. Married, 3 children. Bluhm: Winnetka, Ill. 47. Married, 3 children. JMB president. "To Judd's stability, Neil brings presence and personality." Each has ⅓ stake JMB (remaining third split among several partners). Knowledgeable Chicago peers peg them as worth $300 million each.

Keith Rupert Murdoch

Publishing. NYC. 54. Divorced, remarried; 4 children. Father edited *Melbourne Herald*; dominant figure in Australian journalism (d. 1952). Oxford graduate Rupert, 3 sisters inherited moribund *Adelaide News*; sensationalist approach rescued. Built News Corp.: Australia, U.K., U.S. (*Boston Herald, Chicago Sun-Times, New York Post*, etc.), cable TV, book publishing, 10% Reuters, etc. Sold NYC's *Village Voice* to Leonard Stern *(which see)*, bought 7 TV stations from John Kluge's *(which see)* Metromedia for $2 billion, buying out partner Marvin Davis *(which see)* in 20th Century-Fox. Central Park jogger; U.S. citizenship granted Sept. 1985. With control of 51% News Corp. worth some $300 million.

Roy Michael Huffington

Oil. Houston. 67. Married, 2 children. Father killed by poison dart while exploring for oil in South American jungle. Roy, with Harvard Ph.D. in geology, explored for Exxon until went out on own 1956. Moderate success until 1968; heard

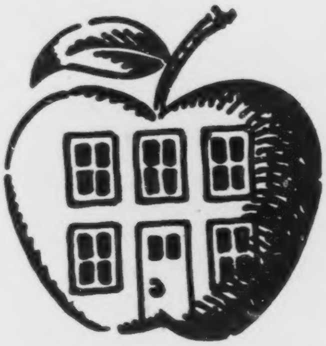
Indonesian area looked like Louisiana Basin geologically, made stupendous gas and oil discovery. Sells much to Japanese utilities. Had to take many partners, but keeps 17%. "I consider Indonesia a wonderful place to invest." Another partner (Enstar) bought Superior Oil's 7.5% for $180 million 1983. Roy last year lost bid to control Enstar, run by college classmate, forced its sale. Minimum net worth $300 million.

John Lee Cox

Oil. Midland, Tex. 60. Married; 1 son, 1 daughter. Grew up in tiny southwestern Texas town where father worked for oil company. Graduated Rice U., became petroleum engineer 1946. Decided 1952 "I can do this on my own." Settled in Midland. Major operations in Sprayberry Trend in west Texas, now more oil production in state than all but the majors; also Oklahoma, New Mexico, Wyoming. Drills more than 100 wells a year. Declining oil prices not slowing him down: "The price of oil has to go up. I don't know when, but sometime." Son, son-in-law in business with him. Net worth probably at least $300 million.

Carlton Beal

Oil. Midland, Tex. 69. Married, 4 sons in business. Stanford engineer cofounded BTA Oil Producers 1952 in LA; soon moved to Midland. Bought out partner, fellow-Midlander "Moose" Trobaugh, mid-1960s. Huge oil, gas reserves Texas, Louisiana, Oklahoma, New Mexico; believed to have many partners. Very active, drilled over 90 wells last year. Founded Midland Polo Club 1950s, was avid player. "In its heyday [early 1970s] the best place for polo in Texas was Midland." Built Midland's first helipad atop BTA's office. "The best way to travel in an oilfield." Net worth at least $300 million.



32 members of The Forbes Four Hundred have fortunes derived principally from New York City real estate.

Robert Edward Turner III*

Turner Broadcasting System. Roswell, Ga. 46. Divorced, remarried; 5 children. "Ted" expelled from Brown U.: womanized, burned own frat float. Briefly in Coast Guard: "I, who would one day affect the destiny of the nation, was cleaning crap." At 24 recovered late father's bankrupt billboard firm. Revamped weak Atlanta TV station, bought out partners. Set up first cable "superstation" (WTBS) 1976 as free airtime for his Atlanta baseball Braves, basketball Hawks. Fought storms to win America's Cup 1977. Sought CBS, lost, now buying MGM instead *(see Kerkorian)*. Hot-tempered. Philosophy: "Crash along at full speed until you hit something." His 81% Turner Broadcasting worth $300 million.

William S. Paley

CBS, Inc. NYC and Southampton. 84. Divorced, widowed; 4 children, 2 stepchildren. Grandfather had thriving lumber firm in Russia, father made cigars in Philadelphia. Bill joined him after Wharton, got control 1928 of failing radio network for $500,000; now CBS. Raided NBC's talent pool 1940s. "My friends were surprised that I would go for anything so gimmicky, that they thought would be so short-lived." Was ladies' man, party lover; creative—urged by Matisse to leave TV and become photographer. From 1972, chairman of board Museum of Modern Art (NYC); owns multimillion-dollar collection. Over 6% CBS; smaller holdings media, oil, computer and genetics research, etc.; minimum net worth $290 million.

Alexis Felix du Pont Jr.

Alice Francis du Pont Mills

Helena Allaire Crozer du Pont

Brother, sister, sister-in-law. Children, daughter-in-law, A. Felix du Pont, distant cousin Pierre, sided with him in family split 1916 *(see various du Ponts, family)*, rewarded with 8% Christiana Securities, family holding company. A. Felix Jr.: Wilmington, Del. 79. Divorced, remarried; 3 children by first wife, 1 by second. Alice (Mrs. James Paul Mills): Middleburg, Va. 72. Married, 3 children. Brother, sister have inheritances believed about $275 million. H. Allaire: Chesapeake City, Md. 72. Widowed, 2 children. Husband Richard Chichester du Pont noted pilot killed in WWII glider crash. Successful horse breeder, owned Kelso. Among first women admitted to Jockey Club 1983. With children, shares husband's inheritance also worth about $275 million.

Seymour Cohn

Real estate. NYC and Upper Brookville, NY. 74. Widowed, 2 children. After WWII, with brother, Sylvan Lawrence, found apt. tenants for commissions. Bought properties. Parlayed small profits on small buildings into largest, if unsung, commercial real estate holding in lower Manhattan. Includes 2.5 million sq. ft. West Side commercial giant. In past 2 years, sold almost $250 million of properties, all at substantial profit. President Charles Goldenberg claims seeking to reinvest, but "we haven't done anything on the acquisition side except look." Sylvan ran firm until death 1981. Seymour oversees, but spends much time breeding racehorses, charity fundraising. Sued by NYC this year for alleged bribes for city leases. His half of properties worth at least $275 million. Sylvan's heirs hold other half *(see Lawrence family)*.

Dorothy Stimson Bullitt

Broadcasting. Seattle. 93. Widowed; 2 daughters, 1 son. Daughter of pioneer lumberman C.D. Stimson (d. 1929), inherited Seattle real estate. Husband A. Scott Bullitt, state Dem. leader, died 1932; Dorothy took over business. Bored, 1947, bought Seattle radio station; Northwest's first TV station 1948. "It was a risky adventure. There were only 6,000 TV sets in the whole Northwest." Now King Broadcasting: 4 TV, 6 radio, cable. Son Stimson left to run own real estate interests 1973; daughters help run King; Dorothy in on key decisions. Said to be sharp, zesty, strong-willed. Insider: "If someone gives her a line [of bull], she just blows right through them." Rafted Colorado rapids age 85. Controls company worth at least $275 million.

Betsey Cushing Roosevelt Whitney

Inheritance. Manhasset, NY. 77. Divorced, widowed; 2 children by first husband, James Roosevelt. FDR's favorite daughter-in-law: frequent White House hostess. Continued high lifestyle after marriage to John Hay (Jock) Whitney, last publisher of *New York Herald Tribune*, heir to vast 19th-century fortune (oil, tobacco, land, railways), top-rank art collector. Betsy disliked nude paintings, once joked that fish in a Matisse were too naked. Picture soon after donated to museum. Related by marriage to Vincent Astor, William Paley *(which see)*. Recently donated $8 million to Yale in honor of Jock and her father, famed brain surgeon Harvey Cushing. Her real estate, art, media interests worth at least $275 million.

Albert B. Alkek

Oil. Victoria, Tex. 74. Married; 1 son, 1 daughter. Borrowed $250 from rancher-father to try his luck in up-and-coming oilfields. First well, 1939. Met mentor-patron Harry F. Sinclair (founder Sinclair Oil) 1941; merged, became Sinclair-Alkek 1948. Bought out Sinclair 1952. By 1965 annual volume of Alkek's personal stock market trades amounted to $75 million. Still big stock holdings in major oil companies. Extremely private; oil investments through other operators. Owns 30,000-acre Texas "Flying A Ranch"; built 200-foot-wide waterfall, imports exotic animals, breeds deer for zoos. Minimum net worth: $275 million.

Louis Larrick Ward

Russell Stover Candies, Inc. Kansas City, Mo. 65. Married; 2 sons, daughter. Navy WWII; after, 2 years on Wall Street; left to buy own company: small paper-box manufacturer in K.C. (1950). Customers included Stovers, purchased with partner for $7 million cash 1960, went public same year. Grew from 6th-largest boxed chocolates producer to first. Stressed quality and reasonable prices. No advertising. "We didn't need to. People become our customers at around age 18 and we never lose them." With $50 million purchased 40% outstanding stock to take company private 1981. Since then, "it's just grown and grown. When it's more than 15% a year, we get concerned." Market value if sold: over $270 million. Also other assets.

William Russell Kelly

Kelly Services. Troy, Mich. 79. Married, adopted son. After jobs in sales, system analyses and accounting, "he became a master of office procedure." Moved to Detroit. "I thought the automobile business would require a mass of paper work. There are thousands of parts in a car and each part requires a piece of paper." Opened Russell Kelly Office Services 1946, pioneered temporary office help; sent "Kelly Girls" with calculators to contractors' offices. Went national 1950s, took public 1962. Expanded into health care 1976. His 44% now worth over $270 million.

William Coburn Cox Jr.

Jane Cox MacElree

Brother and sister. Inheritance. Great-grandchildren of Clarence Barron (1855-1928), preeminent financial writer who built up *Wall Street Journal, Barron's*, Dow Ticker. Bill: 54. London and Nantucket, Mass. Married, 4 children. On board Dow Jones, serves as executive director European operations. Jane (Mrs. Lawrence E. MacElree): Newtown Square, Pa. 56. Divorced, remarried; 7 children. Lives with lawyer-husband on Fairy Hill Farm; has raised money for Philadelphia charities. Since death of mother Jessie B. Cox (1982), they preside over some $530 million in Dow Jones stock (18.6% of company), etc., most in interlocking trusts. *(See also Jane Cook, Bancrofts.)*

29 members of The Forbes Four Hundred are Texas oilmen.

Arnold Bernhard

Value Line, Inc. Westport, Conn. 83. Married, 2 children. Fired as *Time* magazine drama critic 1928, Moody's account executive 1930. "You have no idea what it meant to be out of a job in 1931." Founded Value Line Investment Survey 1935 based on innovative statistical methods. "Bernhard's dictatorial ways run a close second to his tightfistedness as a basis for company complaints." Bernhard: "I'm a very easygoing pushover. I'm getting tougher out of necessity. As the organization grows, discipline must be tightened." Owns 80% Value Line, considerable investment in own mutual funds. Recent subscribership declines attributed to public's declining interest in stock market. Minimum net worth: $265 million.

William A. Fickling Jr.

Charter Medical Corp. Macon, Ga. 52. Married (to Miss America 1953), 4 children. Former Air Force guided missile officer. Worked at father's real estate business buying and selling nursing homes, sensed more profit in hospitals. Founded Charter Medical 1969; on heavy debt rapidly acquired, built hospitals (14 general, 42 psychiatric, 7 more psychiatric under construction). "If somebody's expecting us to pay off our debts, they ought to buy some other stock." Chairman Federal Reserve Bank of Atlanta 1980-83. Recently elected to Amex Board of Governors. With family owns 11 million Charter shares. Net worth at least $265 million.

Howard Brighton Keck

Willametta Keck Day

William Myron Keck II

Superior Oil Co. Descendants of William M. Keck Sr., legendary wildcatter said to taste-test drilling-core samples; founded Superior 1921. Among first to drill offshore Louisiana, Venezuela, became leading independent with record drilling, largest reserves. Conflicts between sons William Jr., Howard; father tried to sell 1959, failed; chose Howard successor. Howard: Los Angeles. 72. Married, 4 children. CEO from father's death 1964 until 1981. Shifted company toward mining, timber, farming. Company languished. Turned back to oil 1976. Hand-picked management forced him off board 1983 during family feud. Sister Willametta: Reno, Nev. 69. Divorced, 4 children. Long resented Howard's rule. Inactive until 1983 proxy fight; facilitated takeover. Told press: "I was doing some estate planning." Now owns 20% San Diego (football) Chargers. Their nephew William II: Los Angeles. 43. Divorced, 3 sons. Son of deceased third sibling William Keck Jr. (d. 1982) shunned by Howard. As co-executor of William Jr.'s will, sided with aunt, sought to sell. After being forced out, Howard changed tune: avidly sought suitor, launched own proxy fight. Superior finally bought by Mobil for $5.7 billion 1984. After taxes, Howard received $260 million, Willametta $160 million, William $180 million. Keck Foundation, worth over $500 million, recently financed $70 million for world's largest telescope.

Roy Edward Disney

Walt Disney Productions, broadcasting. Los Angeles. 55. Married, 4 children. Father Roy O. (quiet business manager), uncle Walt (world-famous cartoonist) started Walt Disney Productions 1923: cartoons, then movies, theme parks, etc. Roy E. quit 1976 (5 years after father's death) after bitter fight for creative control with Walt's son-in-law Ron Miller. Returned with new management 1984, now vice chairman. Founded Shamrock Broadcasting; now 3 TV stations, 9 radio. Diversifying: bought Central Soya Co. for $339 million April. Extremely private. With Shamrock, $150 million Disney stock, real estate, worth over $255 million.

Richard Alan Smith

General Cinema Corp. Chestnut Hill, Mass. 61. Married, 3 children. Father Philip launched company 1922, opened first successful drive-in theater 1935, first mall theater 1951. Run by Dick since father's death (1961); pioneered multiscreen theaters, forbids X-rated films. Company boomed with suburban growth; now largest in U.S. with over 1,100 theaters. Also largest Pepsi bottler (bought 1968); Sunkist orange soda, 1978. Smith's stock worth over $255 million.

Peter Sharp

Real estate. NYC. 55. Widowed, 3 children. Father, major hotelier NYC 1920s (Delmonico, Ritz, etc.); died 1941. Mother Evelyn took over, expanded (incl. Beverly Wilshire); sold everything 1960s. Peter, after Princeton, started in real estate 1957. Owns prime commercial, residential properties Manhattan. Crown jewel, though claims little profit, is NYC Carlyle Hotel—"Peter's place." No wall-to-wall carpeting to eliminate cleaning: "I detest the hotel smell." With Odyssey Partners Leon Levy and Jack Nash, helped launch successful Avatar Holdings (Florida real estate) out of bankrupt GAC Corp.; now CEO. Also Chicago-Milwaukee, other deals. With various stock holdings, real estate, worth over $250 million.

Pierre Samuel du Pont III

Mary Belin du Pont Faulkner

Edith du Pont Pearson

Willis Harrington du Pont

Inheritance. Surviving children Lammot du Pont, brother and key associate of Pierre; pres. Du Pont Co. 1926-40, chmn. 1940-48; d. 1952 *(see various du Ponts, family).* Pierre III ("Big Pete"): Rockland, Del. 74. Widowed, 3 children, including Pierre IV, who was governor Del. 1976-84, considered GOP presidential contender. Mary (Mrs. James Morrison Faulkner): Brookline, Mass. 78. Married, 7 children. Edith (Mrs. George Burton Pearson Jr.): Montchanin, Del. 72. Widowed, remarried, 5 children by first marriage. Husband retired Del. judge. Willis: Palm Beach, Fla. 49. Married, 3 children; son of Lammot's fourth wife (other siblings by first). Citrus, cattle, banking investments Fla. Siblings believed to share equally in father's estate. Pierre III's stake sapped by losses backing movies. Their combined fortunes now at least $1 billion.

Richard Jerome O'Neill

Alice O'Neill Avery

Brother and sister. Inheritance, real estate. Grandfather Richard left cattle business in Ireland to manage friend's vast s. Calif. ranch in exchange for half the land. Grandchildren inherited 110,000 acres 1943, sold parcels steadily, including $50 million, 11,000-acre Mission Viejo tract 1970s. Remaining 42,000 acres one of last prime sites in Orange County. "It's like a giant pool table set into the foothills." Now used for cattle, farming, citrus; 5,000 acres being developed into planned township of Rancho Santa Margarita. Richard: San Juan Capistrano, Calif. 62. Married, no children. A major local political power. Owns restaurant chain (incl. El Adobe), previous ventures in real estate, horses. Alice: West LA. 68. Divorced, widowed; 3 sons, including Anthony R. Moiso, prime mover behind development of family real estate. Alice and Richard share ranch, other assets, worth well over $500 million.

Vivian Leatherberry Smith

Inheritance. Houston. 77. Widowed, 2 daughters. Husband R.E. (Bob) Smith started in oil, used profits to buy land in Harris County (in and around Houston) starting 1950s: "I believe completely in inflation." At one point owned 17 square miles inside city limits, was largest landholder in county. Much land in path of Houston development, including Galleria. Vivian still holds ground leases. Also ranches elsewhere. Bob helped bring major league baseball to Houston; owned land under Astrodome. Believed to be worth $500 million at death 1973. Vivian a director of Cullen/Frost Bankers, Inc., in San Antonio, also 12% baseball Astros. Her trusts, etc. worth well over $250 million.

Malcolm Austin Borg

Publishing, TV broadcasting, inheritance. Englewood and Spring Lake, N.J. 47. Married; 2 sons, 1 daughter. Grandfather, wealthy Wall St. stockbroker, bought into *Bergen* (N.J.) *Record;* wholly owned by family since 1930. Malcolm learned business 1960s, took over 1971, bought 4 TV stations. Mild heart attack at 26. Nonunion paper, now one of country's most profitable. Brother Gregory sold out 1982. Spent $90 million over six years in improvements. Civic-minded, driven. Paper and TVs under umbrella Macromedia, Inc. Through trusts, etc. controls fortune worth at least $250 million. "I'm no big deal."

Robert Staples Howard

Publishing. Rancho Santa Fe, Calif. 60. Married; 3 sons, 1 daughter. Started on hometown (Minn.) weekly, jumped from paper to paper, state to state after WWII service. Set up Howard Publications 1961. First paper: *Casper* (Wyo.) *Star-Tribune*. Today 19 daily papers (over 400,000 circ.), 1 TV station. Still expanding: started Los Angeles-area cable-TV company in partnership with Donald Reynolds *(which see),* now over 100,000 subscribers. Also some oil and gas. On publishing: "I don't think it's what some of these people with the rose-colored glasses on seem to think." Minimum net worth $250 million.

Patrick Joseph McGovern

Publishing. Nashua, N.H. 48. Divorced, remarried; 2 children. Construction manager's son who caught computer bug after reading book 10th grade, built computer unbeatable in ticktacktoe. Won scholarship to, edited computer magazine for, MIT. Saw need for census of computer market, launched International Data Group 1964. IDG now 62 publications in 20 countries, incl. flagship *Computerworld,* largest specialty publication of its kind (circ.: over 125,000). Company loyalty pays: slowly selling stock to employee trust. "Living ostentatiously means just putting other people down." Current wife is Lore Harp, Vector Graphic founder. Still holds 85% IDG, worth at least $250 million.

At least 8 members of The Forbes Four Hundred did not finish high school.

At least 42 finished high school only.

At least 291 attended college, of whom 216 graduated.

Postgraduate degrees: M.B.A. 25; Law 19; Medicine 3; Other 22.

Doris Duke

Inheritance. Somerville, N.J.; Newport, R.I.; Honolulu; etc. 72. Twice divorced, no children. Only heir James Duke (Duke Univ.), self-made, founder of American Tobacco Co., Duke Power & Light (d. 1925). Left her $70 million at age 13 (inflation-adjusted, over $500 million today): "the richest girl in the world," hounded by reporters, one of whom hid under a restaurant table to sneak into her honeymoon suite. Second husband turned estate Italian garden (with statuary) into golf course while she vacationed in Europe; "She was a little upset." Long since restored to gardens. Visible in NY society, restoration historic Newport homes. Even with mediocre advice, fortune should exceed $250 million.

Howard Kaskel

Real estate. NYC. 48. Married, 6 children. Father Alfred (d. 1968) built up Doral Hotel chain: hotel, country club in Miami, 3 NYC hotels. Also large Park Ave. office building, substantial apt. properties Conn., Chicago, outer boroughs NYC (as Carol Management). Howard, with family members, has managed successfully. Reserved manner: "You can be obnoxious if you made it yourself. But I have to remember where the wealth came from." Horse-breeding farm near Pawling, NY. Minimum net worth: $250 million.

Sheldon Solow

Real estate. NYC. Near 50. Married, 1 child. Went way out on limb to build 1.5 million sq. ft. Manhattan skyscraper (9 W. 57th St.) near Plaza Hotel. Fully rented just before 1970s real estate bust; enjoys vast profits. Also a few prime residential properties; builds only in NYC. Observer: "A contentious, litigious man." Praised for design. Now selling uniform row of East Side town houses, throwback to 19th-century construction style: $3 million to $5 million each. Big collector modern art. Avoids press. Minimum net worth $250 million.

Stanley Stahl

Real estate. NYC. 61. Divorced, remarried; 1 son, 2 stepchildren. Began as broker 1947, bought first Manhattan apartment building within 1 year with saved-up commissions; added more. Staked almost everything 1962 to build 1.5 million sq. ft. at 277 Park Ave.; now Chemical Bank building. Owns some 2,800 Manhattan apartments, generally not interested in co-oping: "I just think it's too much of a hassle." Won 1977 court ruling denying apartment lease to "intelligent persons" who know law and might cause trouble. Half-interest in Broadway theater (Lunt-Fontanne). Net worth at least $250 million.

James R. Cargill

Margaret Cargill

Brother and sister. Cargill, Inc. Great-grandchildren of William W. Cargill (d. 1909), founder of food processing giant *(see Cargill/MacMillan family; also individual MacMil-*

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lans, Keinath, Pictet). James: Minneapolis. 62. Married, 3 children. Joined company 1947, rose to vp 1963. Now senior vp, director; has office in co. hq., but said to concentrate on own business affairs. Expert trout fisherman. Margaret: La Jolla, Calif. 65. Single. Little known. Together, believed to own their family branch's 25% Cargill stock, worth at least $500 million.

Thomas S. Monaghan

Pizza. Ann Arbor, Mich. 48. Married, 4 daughters. Fatherless at age 4; raised in foster homes, orphanages. Thrown out of seminary school, nearly flunked high school, read self-help books in Marines. With brother, $900 got small pizzeria 1960. Swapped VW for brother's share, got full control 1961; became delivery-only Domino's Pizza. Near bankruptcy 1970; now second-largest chain (after Pizza Hut): over 2,400 outlets (mostly franchised) in 50 states, elsewhere; over 88 million pizzas delivered 1984. Bought Detroit (baseball) Tigers 1983 ("The biggest worldly goal I ever had"); World Series winner 1984. Jogger, vast self-help library. His 95% Domino's worth at least $250 million. "I'm a pizza man. I'm proud of that."

Miller Nichols

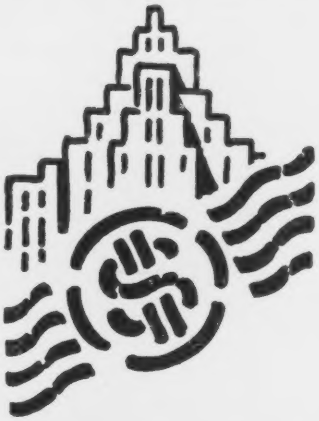
Real estate. Prairie Village, Kans. 74. Widowed, remarried; 6 children. Father Jesse Clyde Nichols premier Kansas City developer; starting 1905, created stylish suburbs: winding roads, parks, fountains, sculpture, even birdfeeders. Crown jewel: "Country Club Plaza," first suburban shopping center (1922)—55 acres exclusive stores, Spanish architecture. Also major local homebuilder. Miller started on father's road crews. Chairman since his death 1950: Added 2,000 apartments, 4 hotels; has 6,000 undeveloped acres, 4 million square feet commercial space; dominates Kansas City development. "Miller has made his own shadow." With 57% of company, other assets, net worth believed to exceed $250 million.

Paul Kalmanovitz

Beer, real estate. Tiburon, Calif. 79. Married, childless. Uneducated Polish immigrant, arrived U.S. age 20 as merchant seaman. Washed cars; later managed, then bought into nightclubs, apt. houses. Acquired Los Angeles' 102 Brewery in 1950 real estate swap; Falstaff 1975 for $10 million. Today controls General Brewing (generic beer), Pearl, Falstaff. Third bid for Pabst successful 1985 for $63 million. "Mr. Paul" publicity-shy; reputation of liquidating old breweries, esp. on valuable downtown real estate. Holds 5-minute shareholder meetings. Shrewd, manipulative, litigious: "I know the law better than anyone." Beer industry flat, but with land, etc., net worth exceeds $250 million, evidently willed to charity.

Melvin Simon

Shopping centers. Indianapolis. 58. Divorced, remarried; 5 children. Brooklyn-born son of garment district tailor. Sold encyclopedias in Army; rental agent for shopping centers after Korea. Began building centers 1959; built 135 in 23 states. One of largest owner-managers: owns 90 (over 50 million sq. ft.). Futuristic "Newport City" with Sam LeFrak *(which see)*: renewal project near NYC. Shares Indiana basketball Pacers with brother Herb. Workaholic; out of limelight except on golf course: orange socks seen 3 holes away. Sold TV properties 1985 in Indianapolis, Houston, etc. His two-thirds Melvin Simon & Associates (Herb owns rest), other interests, make estimated worth at least $250 million.



The metropolitan areas with most resident members of The Forbes Four Hundred are:

New York City area 81
Dallas/Fort Worth 25
Los Angeles 23
Chicago 21
Wilmington 21
San Francisco 15
Minneapolis 9
Detroit 8
Houston 8
Kansas City 7
Palm Beach 7
Pittsburgh 7
San Diego 7
Washington, D.C. 7

Miles Collier

Inheritance, investments. Naples, Fla. 38. Single. Grandfather Barron Gift Collier pioneered streetcar advertising, used $5 million annual income to buy southwest Fla. land. Amassed 1 million acres by 1930; state renamed it Collier County. Estimated $400 million empire split with coin toss 1980. Miles controls half (7 relatives control other half): 170,000-plus acres, most being converted for agricultural purposes; oil and mineral rights to 400,000 acres, venture capital, 50% *Naples Daily News*, etc. Leases, develops. On list of "world's 10 most eligible." Weekends in Palm Beach to visit mother; collects Porsches: "I consider them more as kinetic sculptures than street cars." Net worth at least $250 million.

Ben H. Carpenter

Southland Financial Corp. Dallas. 61. Married; 1 son, 4 daughters. Father, John W., founded Southland Life Insurance 1908. Ben turned toward real estate 1950s, sold insurance subsidiary for $352 million 1984. Developing Las Colinas, 12,000-acre former family ranch between Dallas, Fort Worth. Prairie floodplain now high-rise office buildings, "Venetian" river taxis. Ben controls architecture, tenant mix, paint colors. "You've got to build it the way Ben wants it built." Also 1 million sq. ft. office downtown Dallas. Most property owned by Southland; Carpenter keeps 800 prime acres. Proposed, dropped bid to buy outstanding stock last fall. With over 30% Southland, land, worth at least $250 million.

Jack Monteith Berry Jr.

Citrus grower. Winter Haven, Fla. 68. Married; 1 son, 2 daughters. Left native Tenn. to seek fortune in NY, became successful fruit broker. By age 30 had own company, earning $75,000 a year. Supermarkets bypassed brokers 1950s; Berry moved to central Fla. to plant, then gambled on drainage-hampered land farther south. Planted 6,000 acres in 1960s, now one of largest independent growers *(see also Emmett Evans)*: over 15,500 fully productive acres, concentrate plant. Also ranch land, some recently converted into young groves. Lost 1,500 acres in 1985 freeze. Still looking for grove land deeper south: "I'm not eager to sell out." With Indiana plastics plant, agribusiness, stocks, net worth should exceed $250 million.

William Francis Farley

Leveraged buyouts. Chicago. 42. Divorced, remarried; 2 stepchildren. Postman's son; top-selling encyclopedia salesman. Law degree. Joined NL industries 1969 as takeover analyst; later investment banker at Lehman Brothers. Began own buyout career 1976 with $1.7 million purchase of citrus co. Paid $118 million—$3 million his, rest borrowed—for NL Industries' metal products div. 1982. Won Condec proxy fight 1984; paid $140 million, $11 million his. This year, with other investors, biggest coup yet: bought Northwest Industries (revs: $1.4 billion) for $1.4 billion, $70 million his. Combined 1984 revenues exceed $2 billion. With wholly owned Farley Industries, 51% Northwest, net worth estimated at $250 million. Next target? "The size of ITT."

Charles Cassius Gates

Gates Corp. Denver. 64. Married, 2 children. Father sold steel-studded leather bands for auto tires from 1911; later rubber tires, hoses. Uncle invented V-belt 1917; firm still world's leading maker belts and hoses. Charles born in back of family car en route to hospital; inherited 1961, with 4 sisters; eager to go beyond rubber products. Dumped tire business 1973. Bought two-thirds moneylosing Learjet Industries 1967; couldn't give it away 1970; later highly profitable; now suffering industrywide slump; $10 million loss 1984. Rubber industry margins declining. "I say progress is made when you get backed into a corner and you've got to battle your way out." Estimated net worth, with family, other assets: $250 million.

Daniel Crow Searle

William Louis Searle

Suzanne Searle Dixon

Brothers and sister. Inheritance. Great-grandfather Gideon Daniel Searle bought small Indiana drugstore 1868. Grew into one of first drugstore chains; began making drugs; founded G. D. Searle & Co. 1888. Extremely profitable under grandson John G., pres. 1936-1966. Introduced Dramamine; first oral contraceptive 1960; etc. Doubted sons' abilities; attempted mergers to acquire management; all failed. Daniel: Winnetka, Ill. 59. Married; 2 sons, 1 daughter. CEO 1966-1977. Disastrous buying spree: "Few matched Searle in picking losers." FDA investigation hurt image. Hired former Defense Secretary Donald Rumsfeld to clear up mess 1977 (now chairman); that and fluke discovery of aspartame as sweetener saved company; NutraSweet now nearly half $1.24 billion sales. Daniel resigned chairmanship, now director. William: Lake Forest, Ill. 57. Married, 3 children. Director. Suzanne: Lake Forest. 54. Married, 3 children. Her husband Wesley M. Dixon also director. Siblings sold 7.5 million shares to company in April; remaining 21.4% to Monsanto in Aug. takeover. Proceeds, other assets worth $730 million.

William Morse Davidson

Guardian Industries Corp. Detroit (Bloomfield Hills). 62. Divorced, remarried; 2 children, 1 stepchild. Began as attorney for bankrupt and troubled firms. When uncle died leaving troubled glass company, won family showdown, took over. Now one of largest in U.S.; also huge photofinishing division. Went private this year in leveraged deal. Sales 1984: $543 million. Also owns wholesale drug companies and recently, in partnership, bankrupt Phoenix Steel. "I don't believe you pick an area. I would feel comfortable in any business." Tough, taciturn leader. Top executives made millionaires from performance bonuses. Owns 62% Detroit (basketball) Pistons. Worth at least $240 million.

Estée Lauder

Leonard Alan Lauder

Ronald Steven Lauder

Cosmetics. NYC and the Hamptons. Estée born and raised Queens, NY; married high school classmate Joseph (d. 1983). Peddled skin creams for Viennese uncle, attached her name to several brands. Launched own company with 4 products 1946. By 1960 sales over $1 million (mostly from Youth Dew fragrance). Today Estée Lauder, Inc. is 3rd-largest cosmetics and perfume firm: estimated over $1 billion sales (Clinique, Aramis, etc.). Sold through upscale department stores and boutiques. Expanding overseas. Estée: late 70s. Widowed, 2 sons. No longer running daily operations, but "Blue Lady" (her color) still reigning queen of industry. Claims to "see" fragrance; noted for uncanny "sixth sense" for consumer trends. Won French Legion of Honor 1978 for help in Versailles restoration. Gave $10 million to U. of Pa. for international business school 1983 (both sons Wharton grads). Leonard: 51. Married, 2 sons. Current CEO; long instrumental in firm's growth, outspending rivals on R&D. Ronald: 41. Married, 2 daughters. Ran foreign operations; political aspirations: Left 1983 to become deputy asst. defense sec'y (NATO); still co. director. Share fortune over $700 million.

The states with the largest concentrations of members of The Forbes Four Hundred are:

New York 80
California 49
Texas 44
Florida 23
Delaware 21
Illinois 21

Dorothy Green

Liliore Green Rains

Burton Green Bettingen

Sisters. Inheritance. Daughters of Burton E. Green (d. 1965), promoter, Beverly Hills founder and real estate developer. His Rodeo Land and Water Co. bought oil-bearing land when nobody wanted it. Cofounded Belridge Oil 1911, president 1925-65. Bought by Shell Oil 1979 for $3.65 billion (then history's biggest takeover). Sisters' stake nearly $700 million *(see also Buck, Whittier)*. Also own Beverly Hills real estate. All over 70; live in Beverly Hills (Burton also Newport Beach). Avoid publicity. Dorothy (Dolly): eldest. Divorced, no children. Interest in horses discouraged by father but year after Belridge sale appeared at horse auctions, paid $2.2 million for 5 yearlings, flew off in chartered jet. Invested heavily in Thoroughbreds with notable success; credits personal involvement: "I really notice a difference in some of them after I spend some time with them." Religious. Gave much for Versailles restoration. Liliore: widow. President Los Angeles Girl Scouts 1961-63; once socially prominent, lately inactive. Burton (Burtie): recently widowed from William Bettingen; 2 children. Named for father who "tired of waiting for a son." Bought John Wayne's beach house for $5 million. Once ran Beverly Hills antique shop. Estimated net worth: at least $230 million each.

Stewart Bainum Sr.

Manor Care, Inc., real estate. Silver Spring, Md. 66. Married, 3 children. College dropout freshman year. Started plumbing contracting firm 1940. Later built homes, commercial buildings, motels. Traditional builders' values: hard work, quality, leveraged capital. Opened first nursing home with brother 1960. By 1967 6 nursing homes, 6 motels. Incorporated motels as Quality Inns 1967; nursing homes as Manor Care 1968 for new federal program, Medicaid. Memo to son 1977: "Why don't we think in terms of companies?" Acquired nursing home companies; merged own companies 1980; now among largest U.S. nursing home operators. With nearly 35% Manor Care, Indianapolis real estate, worth at least $230 million.

Leonard Davis

Colonial Penn Group. Palm Beach & NYC. 61. Married, 2 sons. Was Poughkeepsie, NY insurance agent, asked mid-1950s to underwrite health insurance for new Nat'l Retired Teachers Assoc. Agreed, then helped set up Amer. Assoc. of Retired Persons (1958). Started Colonial Penn 1963 to handle both huge insurance accounts; provided groups with millions in operating subsidies. SEC probe into relationship late 1970s produced competitive bidding: CPG lost. After losses, earnings yet to return to pre-1980 level. Davis family selling remaining 20% stake for $148.5 million to Champion International. Davis retired; primary interests dance, music, theater. With prior stock sales, net worth at least $230 million.

Robert Olnick

Real estate. Palm Beach and NYC. 71. Married, 2 daughters. Father owned one of first self-service cafeterias, lost it in Depression; died 1931. Son put self through law school 1930s, bought first Manhattan building after WWII on Navy leave. Built early govt. housing 1949, gained control 1959 giant Starrett Housing, quit as CEO 1976. Co-oping almost all his properties. Recent rental: 1 bdrm $2,825/mo. Partners with Milsteins, LeFrak *(see both)*. Building luxury rental East Side with Milsteins. "Office building owners live better, but apartment owners sleep better." Also residential, commercial NJ, suburban NYC. Son-in-law Richard Lane active in business. Net worth probably exceeds $225 million.

Hugh Rodney Sharp Jr.

Bayard Sharp

Brothers. Inheritance. Sons of Isabella du Pont Sharp, sister of Pierre *(see various du Ponts, family)*. Hugh: Wilmington, Del. and Gasparilla Island, Fla. 75. Widowed, 3 children. Was active in family foundations, Du Pont company 1933-82. Son Hugh III manager in company finance dept., on board, apparent leader (with cousins Irénée du Pont Jr. and Edward Bradford du Pont, *which see*), sixth du Pont generation. Bayard: Centreville, Del. and Gasparilla Island, Fla. 72. Married, childless. Director Christiana Securities prior to its dissolution 1976. Successfully breeds, races Thoroughbreds. With brother donated $11 million parcel of beach and wilderness for Florida state park. Brothers share family fortune worth at least $450 million.

Max Martin Fisher

Oil. Detroit; NYC; Palm Beach. 77. Married, 5 children. Father fled Russian persecution, arrived penniless. Built tiny crankcase-oil refinery. Max expanded, processed crude, acquired gas stations. During 1930s oil glut, paid premium to Marathon Oil predecessor for priority in case of shortage: Deal paid off big 1940s, 1950s. Sold out to Marathon 1959 for stock; shares purchased 1982 by U.S. Steel for over $150 million. Also real estate, other stocks, small stake Sotheby's; invests with friends Al Taubman and Henry Ford *(which see)*. Donates 50% income to charity; major supporter Israel, GOP. "Presidents come and go, but Max Fisher remains a constant force." Net worth, with family, over $225 million.

Henry John Heinz II

Henry John Heinz III

Father and son. H.J. Heinz Co. Grandfather began selling horseradish at age 16 (1869), expanded into pickles, vinegar. Went bankrupt 1875. Repaid loans, restarted business 1888. "Profits flowed at a speed he never allowed his ketchup to attain." Firm pushed abroad (1898), now estimates customers include 15% world population. John II. Pittsburgh. 77. Divorced, remarried; 1 son. H.J. II ran 1941-66, opened door to nonfamily management. Still chairman but spends most of his time NYC, London. Strong benefactor (many millions) arts. Still owns or controls family shares worth over $220 million. Son H.J. III: Washington, DC. 47. Married, 3 children. Exeter, Yale, Harvard Business School. Pittsburgh congressman 1971. GOP senator from Pa. since 1976. Personal annual income exceeds $1 million. Owns or controls 4 million Heinz shares, alone worth $220 million.

James Landon Knight

Knight-Ridder Newspapers, Inc. Miami. 76. Married, 4 daughters. At 12 set type after school on father's paper. At 21, with brother John (d. 1981), inherited two dailies, numerous debts (1933). Temporarily cut wages, paid half in scrip. John ran editorial side; James business. "He came in earlier, stayed later, and kept his desk neater than anyone." Bought *Miami Herald* 1937, *Detroit Free Press* 1940, *Philadelphia Inquirer* and *Daily News* 1969. Merged with Ridder family 1974. Added broadcast. Respected, profitable ($141 million income on $1.7 billion revenues). Still a director. Including his 10% stock, worth at least $220 million.

John Cornelius Dempsey

Bulk containers. Delaware, Ohio. 71. Divorced, 6 children. Young accountant 1946; family owned minor block Grief Brothers Corp., cooperage founded 1877. Hunted down, bought out shareholders at $35 average, took over as CEO 1947. Stock since split 160-for-1; equivalent value now over $3,200 per share. Containers about 90% of $326 million sales (1984). Lives modestly on company-owned farm. Old-fashioned, conservative, devout: Christ figure on annual report covers. "The things you decide not to do are just as important as the things you do." Given firm's breakup value (incl. 317,000 acres timber) controls fortune worth at least $220 million.

Lew R. Wasserman

MCA, Inc. Beverly Hills and Palm Springs. 72. Married, 1 daughter. At 12 sold candy in Cleveland vaudeville house; later usher, then publicist elsewhere. Talents recognized by Music Corp. of America founder Jules Stein: Hired at 23, president at 33. Brought banker's mentality to Hollywood (agents had to wear dark suits, not loud plaid). Result: MCA town's hottest talent agency, Lew top power broker. First major studio in TV

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(1949); bought Universal Studios (1959). Dropped talent agency 1961 when Justice Department forced choice. Friend of Presidents: declined LBJ offer to be Commerce Sec'y. His 7.3% MCA stock worth at least $220 million. "All you can do is hope your correct judgments outnumber your mistakes."

Gordon Earle Moore

Intel Corp. Santa Clara, Calif. 56. Married, 2 children. At birth of high tech hired 1956 by William Shockley, coinventor of transistor. Left 1957 to cofound Fairchild Semiconductor with Robert Noyce, coinventor of the integrated circuit. With Noyce, venture capital, started Intel 1968. Company routinely produced watershed innovations: first computer memory chip, microprocessor. Sales $1.6 billion. Moore remains central engineering and managerial force, "hides his brilliance behind a deceptively mild facade." Moore: "I didn't have an entrepreneurial urge, and I still don't." Enjoys fishing. "At this point, I have more money than time." His Intel stock, other holdings, worth some $220 million.

Robert Charles Joseph Edward Sabatini Guccione

Publishing. NYC. 54. Twice divorced, 5 children. Accountant's son, moved to Rome to paint at 18. Freelance cartooning, writing, acting didn't pay, became dry-cleaning shop manager; fired. *Penthouse* launched 1965. More nudity than *Playboy* meant more profit. Penthouse International now 7 monthly magazines, film and video arm, software, book publishing. Son Bob Jr. runs recently launched *Spin*. Revenues now near $200 million (bestseller: '84 Miss America pictorial). "I'm not looking for acceptance, and I'm not looking to apologize." Extensive Impressionistic, Classical art collection housed in $20 million (cost) Manhattan mansion, which is shared with vice chairman Kathy Keeton. Net worth estimated to be at least $220 million.

Marian Uldine Day Smith

Inheritance, real estate. Atlanta, Ga. 51. Widowed, remarried; 5 children. First husband Cecil B. Day successful developer; traveling with 5 children, saw need for budget-luxury motels, built first Days Inns motel 1970. By Cecil's death 1978 over 40,000 rooms. "Deen" knew business: "He always had an office at home, and I was the person he took everything to." As chairwoman pruned older rooms, built newer ones. Now sixth-largest full-service U.S. chain: 300 locations, 45,000 rooms. On board of Atlanta Ballet, received 1985 Governor's Award in the Arts. Sold Days Inns to Saul Steinberg *(which see)* 1984 for $615 million; her 72% (after debt) and real estate in Fla. and Tex. worth at least $220 million.

William Gordon Bennett

William Norman Pennington

Circus Circus Enterprises. Partners. Bennett: 60, Las Vegas. Pennington: 62, Reno. Both married with 2 children. Bennett turned around losing properties for Del Webb; Pennington ran electronic gaming business. Teamed up 1971 in Western Equities Co., distributed slot machines. Wanted to revamp ailing casino; found Circus Circus: nearly bankrupt casino/hotel with kiddie attractions (bumper cars, shooting gallery, etc.). Succeeded by targeting middle class: $28 rooms, $3 buffet meals, free live circus acts. Now, industry leader: 5 Nevada casinos, whopping 12% net profit margins on $274 million revenues 1984; unmatched 100% occupancy. Bennett: "Personally, I didn't think it would work." Took public 1983. With recent stock sales, equally shared 65% of stock, worth over $430 million.

Albert Lee Ueltschi

FlightSafety International. Greenwich, Conn. 68. Widowed, 4 children. Young Lindbergh fan from Kentucky who saved money to fly: soloed open cockpit biplane at 16; taught at 21. Barnstormer; fell from plane teaching snap rolls at 4,000 ft., parachute opened at 150 ft. Pan Am pilot WWII; started firm in off-hours 1951; mortgaged home to buy first simulator 1954. Made money training pilots inexpensively on simulators; grads' safety records above average. Left Pan Am, took firm public 1968; now sales $99 million. "I built this damn thing from nothing, and I did it clean." Airlines, other companies, military clients. Controls 36%, other assets, worth $215 million.

The 10 richest Britons, according to the London Times:
Queen Elizabeth II, $3.3 billion.
Duke of Westminster, land, $2.6 billion.
Vestey family, meat, $2.0 billion.
Sainsbury family, food, $1.2 billion.
Cayzer family, ships, $666 million.
Sir James Goldsmith, food, $666 million.
Gerald Ronson, property, $400 million.
Garfield Weston, food, $400 million.
Paul McCartney, music, $333 million.
Duke of Buccleuch, land, $333 million.

Frederick Wallace Smith

Federal Express Corp. Memphis. 41. Divorced, remarried; 8 children. Vietnam Marine, 5 medals. Father, called "Bus King of South," left Smith $3.2 million, family $8 million. Idea developed for Yale economics course: all-freight, overnight-delivery airline. Started Federal Express 1973. Created entire network before shipping single package: heavy debts, desperate search for venture capital (total: reported $70 million), met payroll in part with $27,000 blackjack winnings; sisters sued for misinvesting family funds. Now over $2 billion revenues, reaches 96% of U.S. population. Introduced ZapMail 1984 (sales sluggish). Aim: "Make money, a lot of it, and be most injurious to the competition." His 9.4% worth $210 million.

William Alvin Moncrief Jr.

W. A. Moncrief Jr.

Oil. Fort Worth. Sr.: 90. Married, 1 son. Jr.: 65. Married, 4 sons. Sr. raised in east Texas, WWI fighter, quit 1927 as vp Marlin Oil (later became Conoco) to go out on own. Four years of mostly dry holes, then first find: northernmost extension of vast east Texas field, 1931. Investor-partners 1940s, 1950s included golf buddies Bing Crosby, Bob Hope, Randolph Scott. Still very active, in office every day. W.A. Jr. ("Tex") in business since 1945; director InterFirst bank. Together control or have interest in oil and gas reserves Tex., La., Wyo.; also Fla., N.M., Okla., Canada; worth over $400 million.

Laura Simpson Thorn

Abby Rockefeller Simpson

Sisters. Inheritance. Daughters of Marilyn Milton Simpson, one of two daughters Abby Rockefeller Mauze *(see Abby Milton O'Neill)* and great-granddaughters of John Davison Rockefeller. Laura (Mrs. Berrien Thorn): Bedford Hills, NY. 31. Divorced, remarried; 2 children by first husband. Studied at Boston's Wheelock College. Abby: NYC. 28. Single. Father (not a Rockefeller) works as Egyptologist in Boston. The two sisters share in trusts worth over $400 million. *(See also other Rockefellers.)*

John Davison Rockefeller IV

Sandra Ferry (Rockefeller)

Hope Aldrich Rockefeller

Alida Rockefeller Dayton

Siblings. Inheritance. Great-grandchildren of John Davison Rockefeller, children of philanthropist John III (d. 1978). John IV (Jay): Washington, D.C. 48. Married, 4 children. Inherited father's fondness for Asian culture; studied Oriental languages Harvard, Yale. Peace Corps adviser, Appalachian social worker. Governor W.Va. 1977-84; spent own $12 million (outspending opponent 10-to-1) to win U.S. Senate race by 31,000 votes; first Rockefeller Democrat. "Being a Rockefeller is important to me. I have never had to fight it inside myself, so I have never felt uncomfortable with it." Wife is daughter former U.S. Senator Charles Percy (R–Ill.) and board member, former chairwoman, Corp. for Public Broadcasting. Sandra: Cambridge, Mass. 50. Single. Studied art, music at Vassar. Toured Europe 1950s as "impoverished" student. Dropped Rockefeller name 1959, crushed to learn inheritance was not hers to donate entirely to charity. Now a recluse. Hope: Woodstock, Vt. 46. Divorced, 3 children. Lives quietly near one of uncle Laurance's Rockresorts. Alida (Mrs. Mark Brandt Dayton): Minneapolis. 36. Married, 1 child. Married heir to Dayton department store fortune *(see Dayton family)* 1978. All 4 siblings share in fortune worth some $800 million. *(See also other Rockefellers.)*

August Christopher Meyer

Broadcasting. Champaign, Ill. 84. Married, 1 son. Prominent town lawyer, helped launch Champaign TV station 1953; got control in order to rescue investment, eventually acquired 100%. "I never intended it to be my full-time job." Bought San Diego TV in 1964 for some $11 million; now worth over $130 million. Today Midwest Television Inc. owns 3 TV stations, 4 radio; all acquired by early 1960s. Local legend; chairman family-controlled Bank of Illinois since 1962; now investing in cellular radio: "Anything that we've bought has proven to be a good investment." August Jr. (Chris) running stations since 1976. With bonds, San Diego real estate, net worth over $200 million.

The average number of children among members of The Forbes Four Hundred is 3.08.

Alfred Dreyfus Goldman

Monte Henry Goldman

Inheritance, real estate. Father Sylvan (d. 1984) built Humpty Dumpty grocery chain 1930s; invented shopping cart to boost volume. Merged 33 stores into ACF-Wrigley 1955 (now Allied Supermarkets). Left 1959 to build real estate empire. Developed shopping centers, planned communities in Southwest and Puerto Rico; land Houston, Oklahoma City. Also former Kaiser estate Hawaii, stocks, oil and gas, banking. Sons now control Goldman Cos.; both live in Oklahoma City and Honolulu. Alfred: 47. Single. Wharton business grad; CEO, reputed brain of operation: "We're too big to quit and too rich to fail." Monte: 50. Divorced, 2 daughters. Cochairman. Equal partners, secretive, keep Goldman name off most deals. Joint worth easily exceeds $400 million.

Ray Lee Hunt

Ruth Ray Hunt

Ruth June Hunt

Helen Hunt Hendrix

Swanee Hunt

Mother, children. Inheritance, oil, real estate. Ray Lee: Dallas. 42. Married, 5 children. His mother, Ruth Ray: Dallas. 68. Widowed, 4 children. His sister, Ruth June: Dallas. 41. Single. Sister Helen: NYC. 36. Divorced, remarried, 6 children. Sister Swanee: Denver. 35. Divorced. The 2nd family of legendary oilman H.L. Hunt, who legitimized family by marrying Ruth Ray 1957, after death of first wife 1955 (long kept families secret from each other; *see other Hunts, Schoellkopf, Hill*). Inherited then-ailing Hunt Oil Co., other properties 1974. Ray turned around business, expanded exploration; last year made first-time, huge oil discovery in desolate North Yemen. "We'll never go back to the good old days of the oil industry." Also Woodbine Development, vast real estate in and around Fort Worth, Dallas, incl. skyline-dominating Reunion Center. Also over 2,000 acres industrial, mixed-use parks, mostly old family land. Started *D* magazine, owns other publications. Ruth June professional Christian speaker-singer; Swanee and Helen aid social causes for mentally ill, poor. Swanee: "Instead of trying to change what I was born—a Hunt—I'm trying to change what the name 'Hunt' stands for." Mother's $250 million inheritance now a shared fortune exceeding $1 billion, run by Ray.

Edmund Newton Ansin

Broadcasting. North Miami. 49. Divorced; 2 sons, 1 daughter. Grandson of Massachusetts shoe manufacturer; father Sydney (d. 1971) joined business, started buying Florida property 1940s. With Edmund (brother Ronald has no interest) bought control Miami TV (NBC) 1962 for $3.4 million; now worth nearly $200 million. Minor radio interests in California; also well-hidden Florida real estate. Civic-minded, publicity-shy, very low key: "I'm probably the most boring person you ever talked to." His 100% of Sunbeam TV Corp. believed worth at least $200 million; one-third in trust.

Elbridge Hadley Stuart Jr.

Dwight Lyman Stuart

Brothers. Inheritance. Grandfather Elbridge Amos Stuart founded Carnation Co. 1899 in Kent, Wash. Paid $25,000 for method of making good evaporated milk. First customers were prospectors on way to Yukon gold rush. Sales reached $3.4 billion incl. Coffee-mate, Instant Breakfast, Friskies, before sold to Nestlé 1984 for $3 billion. Elbridge: Bellevue, Idaho. 68. Married, 1 son. Rose to vp Carnation, quit 1961 over autocratic practices of CEO father, Elbridge Sr. (d. 1972). Ranch recluse; raises cattle, alfalfa. Wife (Marion Butler Stuart) noted paleontologist. Dwight: Beverly Hills. 61. Divorced, remarried; 3 sons by first marriage, 2 by second. Eleven-year president, resigned 1983. Grows cotton, alfalfa, et al. on his 2,500-acre California ranch. Family owned 27% of stock when sold; Elbridge and Dwight control fortunes each worth at least $200 million.

Sy Syms

Syms Corp. Lyndhurst, N.J. 59. Married; 3 sons, 3 daughters. Radio announcer after college, joined family discount clothing business 1952. Opened own 1959: "off-price" designer clothing (e.g., manufacturers' overruns bought cheap). Supplier: "A soft touch he's not, but he doesn't gouge." Legally changed name to Syms (derived from former name Sy Merns). Daughter Marcy, president, named after Arrow shirt collar style worn by Herbert Hoover. Now 14 stores; has manufacturers produce cheapened "overruns" to stock them. Also ritzy A. Sulka & Co. clothier bought 1980. Total sales: $204 million. Went public 1983. With cash from offering, 80.2% of company, net worth at least $200 million.

Alpheus Lee Ellis

Banking, real estate. Tarpon Springs, Fla. 79. Married, 1 daughter. Started New Year's Day 1920 cleaning spittoons in father's bank; in banking ever since, 60 years in Florida. Bought first bank 1943. Built Ellis Banking Corp., state's 8th-largest bank holding co., $1.6 billion assets. Conservative retail bank, stayed away from condominiums and commercial loans. Worked every holiday since 1920. "My wife's used to it." Sold his 56% EBC 1984 to NCNB Corp. for 4 million shares, lifetime office, limo, chauffeur. With extensive real estate western Florida, etc., worth at least $200 million. "I can pick up the paper any morning and see I've made $2 or $3 million."

Harold C. Simmons

Investments. Dallas. 54. Divorced twice, remarried; 4 daughters by first 2 wives. Quit as bank examiner 1960 to buy neighborhood drugstore. Built to 100-plus Texas chain; sold to Jack Eckerd Corp. 1973, began investing proceeds. Now, holding company Contran Corp. major corporate raider: National City Lines, Amalgamated Sugar Co., 18% GAF. Took over Medford Corp. (timber) 1984 after threatening to acquire competing bidder. Resists image: "the Texas gunslinger." "We don't really try to be cute about what we're doing. All I want to do is become a significant stockholder and make some profit on my stock." Web-like Contran and subsidiaries, plus real estate and minor oil and gas, believed worth at least $200 million.

Charles B. Benenson

Real estate. NYC. 72. Divorced, 3 children. Father built Bronx apartments from 1900, switched to investing 1920s. Charles, Yale grad, joined Benenson Realty 1933. Owns scattered Manhattan parcels, several valuable land leases; also Washington, D.C. properties, other. Shrewd private investor with several NYC builders, including Larry Tisch, Harry Helmsley *(which see)*. Substantial waterfront acreage Amagansett, NY (old Bell estate); large stock portfolio. Asks repeatedly: "How much would it cost to get me off your list?" Active NYC philanthropy; respected collection African art. Net worth believed to exceed $200 million. Denied by him.

Alex Gus Spanos

Real estate. Stockton, Calif. 62. Married, 4 children. Slaved in father's bakery as youth; frequently beaten, forbidden to play high school sports. Left to start catering company with $800 bank loan; sold sandwiches to migrant farm workers. As tax shelter, built first apartment building late 1950s. Launched A.G. Spanos Construction, Inc. 1960; builder of over 47,000 apartments, developer 2.6 million square feet office space; $720 million 1984 revenues. Travels 6,000 miles weekly using 4 personal jets; 2 sons, 2 sons-in-law help run firm. Golfs with Bob Hope. Owns 52% San Diego (football) Chargers. "I like to think I am the best there is at what I do, and so I have conquered the world like Alexander the Great." Net worth at least $200 million.

Ernest Walter Hahn

Shopping centers. Rancho Santa Fe, Calif. 66. Married (childhood sweetheart); 2 daughters, 1 son. Son of German immigrants moved West 1920s from NYC in search of the good life. First day, then night school, brief messenger job, started small contracting firm 1946. Bought out partner 1956: switched from public buildings to shopping centers as suburbia bloomed. Built over 50 centers (34 million sq. ft.). Went public 1972; sold to Canada's Trizec Corp. 1980; his share $90 million. "You never really retire": building 900,000 sq. ft. Horton Plaza, San Diego, others. Much liquidity, little debt. Charitable. Net worth at least $200 million.

Norton Winfred Simon

Industrialist, art collector. Los Angeles area. 78. Divorced, remarried (to actress Jennifer Jones); 2 sons by first wife (1 deceased). Born Ore.; father, middle-class dept. store owner, wiped out in 1921 panic. Son college dropout, played stock market, got out with $35,000 before Crash. Bought defunct orange juice plant for $7,000 in 1931, Hunt Bros. 1943; parlayed into Hunt Foods, that into $1 billion-plus Norton Simon, Inc. Left 1969 with over $100 million to pursue art, idealism. "I felt possessed, rather than possessing." Supported student dissidents 1960s, lost GOP primary (Senate) 1970. Lately ill, still amassing vast art collection. Net worth, much from art, estimated at least $200 million. "I play to win—not to lose."

Thomas Mellon Evans

Investments. NYC. 75. Divorced, widowed, remarried; 3 children by first marriage. Lessons learned at knee of Gulf Oil founder W.L. Mellon enabled him to gain control bankrupt H.K. Porter 1938, turn it around and diversify. Repeated with Crane Co. from 1959. Took over more than 80 firms at below book. Favorite target: "family company run by a third-generation Yale man who spends his afternoons drinking martinis at the club." Stepped down as chairman of Crane and sold stock after son Shel led board in turning down a leveraged buyout proposal T.M. favored. Still has major holdings Porter, Fansteel, brokerage co., other stock, horses, farms, art. Net worth at least $200 million.

Mary Jane du Pont Lunger

Inheritance. Wilmington, Del. and NYC. 71. Widowed, 5 children. Daughter of Phillip du Pont *(see various du Ponts and family)*, who ran a $10 million inheritance up to $58 million playing stock market before he died in 1928. Mary Jane got $50 million, only sister got $2 million. Locally regarded astute businesswoman, owner profitable Christiana Stables. Inheritance worth at least $200 million by now.

Henry Eleuthère Irénée du Pont

Jean Ellen du Pont Sheehan

Evelyn du Pont Donaldson

John Eleuthère du Pont

Brothers and sisters. Inheritance. Children William Jr. (d. 1965), son William Sr. (d. 1928), split from family in 1916 feud and founded Delaware Trust to escape family's Wilmington Trust *(see various du Ponts, family)*. Henry Eleuthère Irénée (née William Henry, changed name 1973): Wilmington, Del. 57. Twice divorced, remarried; 7 children, also 3 adopted stepchildren. With brother sued estate of aunt Marion du Pont Scott (d. 1983) to block bequest of her estate, James Madison's Montpelier, to national historic trust: Henry wanted it for private residence. Lost after running up legal fees over $1 million. Despite losses in business ventures, his share of family fortune intact thanks to impenetrable trusts. Now suing for adopted children to get inheritances directed by will to lineal descendants of grandfather. Jean Ellen (Mrs. William Mason Sheehan): Coral Gables, Fla. 62. Horsewoman. Divorced, remarried; 3 children. Evelyn: Clark Wyo. 59. Divorced, childless. Ex-husband Bruce Donaldson retired director Delaware Trust. John: Newtown Square, Pa. 46. Unmarried, lives with mother on estate, Foxcatcher. Trains for, sponsors triathlon meets. Ph.D. biology, founder Del. Museum Natural History, donating private collection 250,000 seashells. Siblings share in grandfather's fortune worth at least $800 million.

Robert Ruliph Carpenter Jr.

William Kemble Carpenter

Irene Carpenter Draper

Brothers and sister. Inheritance. Children of Margaretta L. du Pont, sister of Pierre S. *(see various du Ponts, family)*. Robert (Bobby): Montchanin, Del. 70. Married, 3 children. Director Christiana Securities until sale to Du Pont Co. 1977; owned (baseball) Phillies, sold 1981 by son Robert Ruliph III for $30 million. William: Boca Raton, Fla. 66. Twice divorced; 1 daughter, 1 adopted stepson. Noted deep-sea fisherman in his day. Irene (Mrs. James A. Draper III): Montchanin, Del. 74. Twice divorced, remarried; 5 daughters by first marriage. Former hobby: cutting friends', relatives' hair in barber chair set in bay window of game room. Total fortune of three about $600 million.

Mortimer Benjamin Zuckerman

Real estate, publishing. NYC, Boston, Washington, D.C. 48. Single. Raised Montreal, son of tobacco and candy merchant. Made first $5 million at Cabot, Cabot & Forbes by age 29. Naturalized 1977. Now Boston Properties: built/manages 10 million sq. ft. office space (adding 3 million) Calif., Boston, Washington, D.C., etc., lately NYC; equity on new projects split with partner. Bought ailing *Atlantic Monthly* 1980; *U.S. News & World Report* (plus property) 1984. Paid $455 million for NYC Coliseum site 1985. "You never buy great real estate cheaply." With debt, partner's interest, may be worth $200 million.

Sol Price

Price Co. La Jolla, Calif. 69. Married, 2 sons. Practiced law 17 years; quit 1955 to launch Fed-Mart Corp., mass merchandiser/supermarket; pioneered house brands, "one-stop shopping." Sold out 1975; fired by new W. German management. Started Price Co. with son Robert, now CEO. Last laugh: Price Co. prospered, Fed-Mart fizzled. Went public 1980; now 21 "clubs": plain cash-and-carry, members-only wholesale Calif., N.M., Ariz., Va. Sales up 80% 1984, to $1.1 billion; mostly word-of-mouth. "Would you believe Price Club is the third most talked about attraction in San Diego next to the zoo and Sea World?" Private; low-key Dem. power. His 14%, other assets, believed worth at least $200 million.

Robert H. Dedman

Country clubs. 59. Dallas. Married; 1 son, 1 daughter. Born poor in Rison, Ark. Earned business, engineering, 2 law degrees after Navy. Oil and gas attorney for H.L. Hunt *(see Hunts)*. Opened Brookhaven Country Club in Dallas 1957 as sideline; built homes around golf fairways "so people could feel like the Rockefellers, living on a 350-acre estate." Added city clubs from 1965. Now Club Corp. of America has 10 clubs in Dallas, 18 Houston, 170 nationwide, some very exclusive; about 250,000 members. Keeps low company profile: "Part of taste is not waving your arms." Gave $25 million to SMU 1981. His 90% Club Corp., other assets, believed worth at least $200 million.

Stephen Muss

Real estate. Miami Beach. 57. Married, 5 children. Inherited (with mother, 2 sisters) father's real estate empire in northern N.J., southern Fla. 1974. Seeking to put glamour back into Miami Beach: $40 million-plus renovation Fontainebleau Hilton (owns 75%); 100% Seacoast Towers, 3 high-rise beachfront rentals; opened The Alexander Hotel 1983, first new Miami Beach hotel in 15 years, headquarters for TV's *Miami Vice*. This year bought partial interest in Carefree David package travel tour firm to help fill his hotels. "When we're through, this area is going to be promoted like it hasn't been for 10 to 15 years." Also other Miami projects, Brooklyn apts. His interest in numerous holdings worth about $200 million.

Leonard Litwin

Real estate. NYC. Near 70. Married, 1 daughter. Started in landscaping business with father on Long Island (nurseries now valuable real estate). Pioneered high-rise apts. on Manhattan's York Ave. Now owns some 3,800 prime Manhattan apts., more in Queens. Wants to build new rentals; blames condo, co-op developers for pushing up land prices. Colleague: "He operates like an old-fashioned real estate man." Refuses to co-op. "Everybody who has a job in New York can't spend $500,000 on a co-op. It's almost like there's a whole new breed of builder here." Minimum net worth: $200 million.

Dominique de Menil

Art. Houston. 77. Widowed, 5 children. Daughter of Conrad Schlumberger, cofounder Schlumberger, Ltd., oilfield services (d. 1936). With husband John (son of French baron), fled Nazi-occupied Paris 1941 to firm's Houston headquarters. Since 1960 family has sold much stock. John ran Schlumberger 1967-70 (d. 1973). Art lover: started with postwar "bargain" paintings, now "one of last great American collections." Upwards of 10,000 works, idiosyncratic mix: "What I admire, I must possess." Credited with bringing modern art to Houston 1950s. Building Houston museum for permanent collection. All five children art collectors. Schlumberger stock and art alone worth at least $200 million.

The only member of The Forbes Four Hunderd known to compete seriously in the triathlon is John Eleuthère du Pont.

Clarence Scharbauer Jr.

Inheritance. Midland, Tex. 60. Married, 4 children. Father settled in Midland 1889, became leading citizen: built the hotel, ran the bank, etc. As rancher, needed many acres to feed one cow in dry west Texas. Some of his thousands of acres on Permian Basin, richest oil province in U.S. Clarence Jr. probably most powerful man in Midland. Doesn't drill; collects millions in royalties from those who do on his land. Enjoys horse racing. Was largest shareholder, director of First National Bank of Midland, failed 1983 because of bad energy loans. Starting to develop huge ranch on Midland's western edge (separates city from airport). Net worth believed at least $200 million.

Anne Windfohr Sowell

Inheritance. Fort Worth, Tex. 46. Twice divorced, remarried; has 1 daughter by first marriage, 1 stepdaughter. Great-grandfather Burk Burnett, legendary Texas pioneer, left vast ranching empire to granddaughter, Anne Burnett Tandy. She expanded mostly through marriage in ranching, oil, banking; 4th husband Charles Tandy of Tandy Corp. 1969 ("They should have gotten Justice Department approval for that wedding"). Tandy died 1978, left fortune to her; on her death 1980, she bequeathed that fortune to charity, rest to daughter Anne. Now over 400,000 acres on 4 ranches; oil under much. "She's been underestimated as a businesswoman." Director, stockholder Interfirst Corp. Her net worth at least $200 million.

Gordon Barton McLendon

Entrepreneur. Lake Dallas, Tex. 64. Twice divorced, 4 children. Lawyer father got Oklahoma theater in lieu of Depression legal fee; saved by

41 men and 38 women among The Forbes Four Hundred are unmarried.

King Kong; built small chain. Son Gordon (partner): "The Old Scotchman," radio persona 1940s, 1950s. Built 458-station sports network; pioneered Top 40, all-news formats. Sold his 14 stations 1970s for $100 million-plus. With father (d. 1982) began buying Texas land 1960s for drive-ins. Now 70 screens; real value is land: sold one Dallas site for $73 million this year. Made films (*The Killer Shrews, The Giant Gila Monster*) 1950s, still invests in Hollywood. Also precious, strategic metals. "Never invest in anything that eats or needs painting." Recently ill. Net worth at least $200 million.

James Emmett Evans

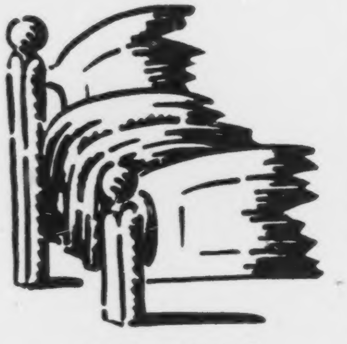
Citrus grower. Dade City, Fla. and Highlands, N.C. 85. Married; 1 son, 1 daughter. Georgia Ford dealer packed suitcase into Model T, headed to Fla. with $500. Bought first orange grove 1920. Now one of largest independent growers (*see also Jack Berry, Griffin*) with over 17,000 productive citrus acres in 7 counties, despite 2,000-acre loss to 1985 freeze. Still expanding south: 8,000 acres young groves. "The Wheel" loves to make deals, tracks commodities market: will unload 10 million gallons of orange juice in a day if time is right. Drinks little orange juice: "I'd rather sell it." With a minimum net worth of $200 million, still plays gin rummy in garage with old buddies.

Ben Hill Griffin Jr.

Citrus grower. Avon Park, Fla. 74. Divorced, remarried; 5 children, 1 stepchild. Born during hurricane of 1910; drove mule team through father's small orange groves at age 8. Started with 10-acre grove wedding present; also sold fertilizer; slowly added land. Now over 10,000 acres citrus, fertilizer company, car dealership. Also, over 70,000 acres ranchland, cattle, timber. Chairman, 52%-owner Alico Inc. In state legislature 5 terms, lost 1974 bid for governor; wife was running mate. Son, Ben Hill III, now vice president Florida Citrus Commission, president Ben Hill Griffin Inc. Father: "I'm not chopping wood anymore, but I work 84 hours a week." Net worth believed to exceed $200 million.

Dolph Briscoe Jr.

Rancher. Uvalde, Tex. 62. Married, 3 children. Governor Texas 1973-79, not renominated; state legislator 1949-57. Inherited father's 180,000-acre Catarina Ranch in southwest Texas; in last 30 years expanded holdings to over 450,000 acres in 9 counties; one of biggest landholders in state. Catarina considered showcase for soil and water conservation. Credited with helping eradicate screw worm scourge 1960s. "Ranching is not the serene life it used to be. It's a highly cyclical, speculative type of business." Owns local bank in Uvalde. Daughter married to son of Ben Carpenter *(which see)*. Net worth believed over $200 million.



113 members of The Forbes Four Hundred have been divorced.

Max Palevsky

Computers. Beverly Hills. 61. Thrice divorced, 4 children. Son of Polish immigrant house painter; gained graduate degrees in math and philosophy, briefly taught before working at Bendix Corp. as $100/week computer designer. Started Scientific Data Systems 1961 with borrowed money. Sold to Xerox 1969; pocketed $100 million, SDS closed 1976 in huge writeoff. "Management didn't know how to run lean and cut costs." Palevsky turned to backing liberal candidates, films. Recently involved in high-tech management and venture capital. "In my dreams I see a $100 million company that we will sell to Xerox again." If held even with inflation, worth over $200 million.

Robert Orville Anderson

Oil, land. Roswell, N.M. 68. Married, 7 children. Father first banker to lend on oil in ground; Robert borrowed $50,000 in 1941, invested in "teapot" refinery. Drilled 200 dry holes until big strike 1957. Bought over 1 million acres, mostly ranches, in N.M., Tex., Colo. Sold refinery to Arco predecessor 1962; went on board; CEO since 1965. Preventing hostile takeover of Arco: $4 billion stock buyback, corporate realignment. Selling personal properties: recently sold 450-sq.-mi. ranch, other land. Wrote book 1985 on petroleum industry. Persuasive: "I'm infinitely more inclined to lead than push: pushing gets tiresome." Based on recent land sales (plus Denver real estate, banks, stocks), worth only $200 million or so.

Robert Einar Petersen

Publishing. Beverly Hills. 59. Married. California auto mechanic's son, short-order cook, gas pump attendant, movie studio publicist. Drawn to Calif. car-racing craze, started *Hot Rod* magazine 1947 in garage with partner, $400; hawked in stands at 25 cents. "I didn't even know what publishing was." Bought out partner 1950. *Hot Rod* now car buff's bible. Petersen Publishing now 16 monthlies (*Teen, Motor Trend, Guns & Ammo*). Titles accused of being male chauvinist, but "they're really for anyone who's interested." Also real estate (office buildings, ranch), art gallery, restaurant. First man to bag polar bear with revolver 1965. "It took the whole cartridge." Net worth estimated about $200 million.

Chapman Shaw Root

Coca-Cola bottler, broadcasting. Ormond Beach, Fla. 60. Married, 5 children. Grandfather's Root Glass Co. in 1916 introduced "the most perfectly designed package in the entire world": the Coke bottle. Bought up bottling plants; dumped glass business (d. 1945). Chapman took over 1950 (father killed in plane crash 1932). Developed outside interests; quit auto racing after collisions killed 2 of his drivers. Coca-Cola peremptorily bought his 57.5% of Associated Coca-Cola Bottling Co. 1982 for resale. His share: $240 million. With proceeds began acquiring broadcasting properties. Root Communications now 4 radio stations, 1 TV; also Daytona Hilton. Net worth estimated at $200 million.

Francesco Galesi

Real estate. NYC. 54. Divorced, remarried; 2 daughters, 1 son. Middle of 5 sons of Italian immigrants; father a real estate broker. Early success 1960 turned Binghamton, NY city dump into shopping center, $4 million profit. Now owns 13 million sq. ft., mostly industrial parks, some retail and office, in suburban Northeast, Midwest. Also 620 acres Southampton, NY beachfront. Restoring 1700s village in Manchester, Vt. Founder United Satellite Communications (satellite broadcast directly to homes; now in Chapter 11, but most of loss to backer Prudential). Also founder struggling Argo Communications, long-distance business phone company; partners include French government. Minimum net worth: $200 million.

Robert Alfred Lurie

Real estate, inheritance. San Francisco. 56. Divorced, remarried; 4 children, 2 adopted stepchildren. Father Louis dynamic real estate and entertainment tycoon who at 6 sold newspapers to help support mother. Built 300 buildings, acquired numerous tracts. Also backed movies (Tarzan), plays (*Fiddler on the Roof, South Pacific*). Died 1972; Robert inherited real estate company: maintains properties but no new buildings for 30 years. Bought baseball Giants 1976, briefly attempted to sell franchise. "When we sell, it won't be a happy day." Including San Francisco and Chicago properties, fortune estimated to be at least $200 million. "I wish you were right."

Joseph Morton Davidowitz (a.k.a. Morton Davis)

Stock market. Lawrence, NY. 56. Married, 4 daughters. Legal name Davidowitz, uses Davis on Wall Street. Son of kosher food distributor, sold vacuum cleaners. Attended Brooklyn College night school 7 years; graduated Harvard Business School with honors. Recruited by D.H. Blair brokerage 1961, became one of a dozen partners. Gradually bought others out; sole owner 1973. Likes new, trendy public issues, especially high tech. Often buys personal stake. "If it's in vogue, we can sell it." "One of the pushiest and toughest guys I know on The Street, but one who sure knows how to make a buck." At least for himself: Blair plus personal investments believed worth about $200 million.

James LeVoy Sorenson

Medical devices. Salt Lake City. 64. Married, 8 children. Quit medical school for Mormon missionary work; later, successful Upjohn salesman. Moved by suffering hospital patients, began developing medical devices late 1950s. Hit big with disposable catheter. Started Sorenson Research 1960 (over 50 patents); sold to Abbott Labs for $100 million in stock 1980. Still has Sorenson Development: 8 companies ("My accountant said 15. It's hard to keep track of them all!"), varied interests: genetic engineering, geomagnetic devices, etc. Oldest son, Jim, heads Deseret Research. With stock, land, oil and coal deposits, estimated net worth $200 million. "Entrepreneurs are just glorified gamblers."

Marc Rich

Pincus Green

Trading partners. Zug, Switzerland. Both 51. Each married; Rich, 3 daughters; Green, 1 daughter. Rich, Belgian-born son of burlap sack maker, banker; family fled Nazis for U.S. WWII. Quit NYU for Philipp Brothers' (now Phibro-Salomon) mailroom where befriended "Pinky," longtime resident Flatbush (Brooklyn). Both climbed up ranks; helped build into world's largest commodities trader; quit when company reneged on million-dollar bonus 1973. Marc Rich & Co. partners mainly hired away from, competed obsessively with, Phibro; now possibly world's second biggest. Bought Iranian oil during hostage crisis, dodged $48 million tax. Fled U.S. 1983; withheld papers from government; 65-count indictment 1983; $150 million cash settlement 1984; denied tax writeoff on settlement. Wanted for racketeering, fraud, tax evasion. Meanwhile, Rich skis St. Moritz, Pinky monitors shipping rates. Each partner reportedly worth $200 million. Rich: "One day I will say everything."

Among The Forbes Four Hundred,
10 are in their 30s
52 are in their 40s
95 are in their 50s
119 are in their 60s
90 are in their 70s
30 are in their 80s
2 are in their 90s

Gertrude Crain

Publishing. Lake Forest, Ill. 68. Widowed, 2 sons. Mrs. G. D. Crain Jr.: Husband (d. 1973) founded Crain Communications 1916. With Gertrude built highly respected trade magazines *Advertising Age, Automotive News.* Also local business sheets Chicago and Cleveland, some 20 others. Recently launched *Crain's New York Business,* which bought out and folded competing publication. Company revenues doubled since 1978 to $120 million this year; pretax margins run over 20%. Sons Rance, Keith taking over operations, but Gertrude remains chairman. She, with sons, controls company worth $200 million.

Richard Marvin DeVos

Jay Van Andel

Partners. Amway Corp. Ada, Mich. 59, 61. Each married with 4 children. High school friends, first tried hamburger stand, flying service, then vitamin distributorship before starting Amway in basement (1959). Began with soap, added some 350 products. Theory: sales force mostly part-timers who also recruit others, receive a cut of their future retail sales. Reality: most money made not by those who sell soap but by those who sell salesmen's tapes, books, rally tickets, etc. Company claims to have 1 million distributors in 40 countries and territories. Revenues peaked at over $1 billion in 1981; may be below $800 million. Pleaded guilty to Canadian tax fraud scheme 1984. Fined $20 million, largest ever; more to come. Large executive shakeout, declining distributor enlistment led to widescale reorganization; now "downplaying evangelism and cultism and emphasizing real sales training instead." DeVos seeks to fire up workers, Van Andel operates behind scenes. With investment assets, claim combined equity over $400 million: seems doubtful.

Under $200 Million

Stanley Stub Hubbard

Broadcasting. St. Mary's Point, Minn. 52. Married, 5 children. Father Stanley Eugene, 88, started country's first commercial airline (went bankrupt); St. Paul radio 1923, one of nation's first; added TV 1948. Stanley took over 1981 after father suffered stroke. Today Hubbard Broadcasting: 5 TV stations (permits for 2 more), 5 radios, production co., hotel. Recently purchased 4 satellite transponders from RCA for $79 million. Satellite network, Conus Communications, 30-plus stations. Nonunion. Net worth exceeds $195 million. On today's inflated prices for TV stations: "The people in this industry are like lemmings following each other off the cliff."

Philip Hampson Knight

Nike, Inc. Beaverton, Ore. 47. Married, 2 sons. In college ran track, studied accounting. After business school joined with college track coach, sold Japanese sneakers from station wagon tailgate (1964). So successful, supplier took over distribution 1972; Knight developed Nike in response, promoted with big-name athletes. Went public 1980. Recently posted first quarterly loss ($2 million on $184 million sales). "Orwell was right; 1984 was a tough year." Knight back in operational control of company after 1-year hiatus. Stock price recently stabilized near original offering price after threefold rise, fall. "He's a sort of corporate pope, and he has lots of apostles and followers." Knight's 48% stake worth $195 million.

Ewing Marion Kauffman

Marion Laboratories. Kansas City, Mo. 69. Married, 3 children. Started as drug salesman 1948; commissions soon exceeded president's salary. Commissions were cut, Kauffman quit, began Marion 1950. Licensed products developed abroad late 1960s; also R&D needed for FDA approval. 1984 sales: $226 million. Over 70 employees became millionaires: "I have no employees—only associates." Purchased Kansas City Royals 1969, sold 49%, may sell rest: "There is ample proof of baseball's tendency to make slaves, or fools, of us all." Goes to work every day, ball games at night. Recently spearheaded multimillion-dollar adolescent drug-abuse program. With minor oil holdings, 25% Marion, worth over $190 million.

Arthur Charles Nielsen Jr.

A.C. Nielsen Co. Winnetka, Ill. 66. Married, 3 children. Nielsen Sr. (d. 1980) founded market survey firm 1923. Saw trends in numbers, not words. Focused on business (let Gallup track voters), paid stores to see books, introduced "market share" concept. Electronically measured radio audience size 1940s when stations were weighing mailbags. "For years my father would try and explain that his work was worth something. He couldn't get any takers." Result: dominant company measuring TV ratings, grocery sales, etc. Sold company to Dun & Bradstreet 1984; retained as consultant. Workaholic, compulsive problem solver, tennis fanatic. D&B stock held in trusts he controls worth over $190 million.

Athalie Irvine Smith

Inheritance, lawsuits. Middleburg, Va. and Emerald Bay, Calif. 52. Thrice divorced, 3 sons. "Joan" lost father age 2; raised close to grandfather James Irvine Jr., who inherited and built up Irvine Ranch: 68,000 prime acres Orange County, Calif. At 24 she inherited 22%; 54% to foundation run by his cronies. Fought cronies ever since (some 20 lawsuits). Joined Taubman-Allen *(see both)* for 1977 bidding, legal wars. Won; she got about $76 million cash. Donald Bren *(which see)* bought control 1983; offered her $110 million (for 11%); she wants more. Dislikes publicity, gets plenty. "Within a lifetime, if you can count real friends on one hand, you're lucky." Net worth over $190 million (mother has lifetime interest).

Howard Vollum

Tektronix, Inc. Portland, Ore. 72. Married, 5 children. Worked way through college fixing radios; as physics major saw demand for oscilloscopes; studied same WWII in Signal Corps. With partner M.J. Murdock (d. 1971) designed better, cheaper in back room of appliance

The total estimated net worth of The Forbes Four Hundred is $134 billion.

In comparison:

Estimated 1985 Department of Defense budget: $300 billion.

Estimated 1985 budget deficit for the federal government: $211 billion.

U.S. trade deficit: $140 billion.

U.S. gold reserves (at $317/ounce): $82.5 billion.

GNP of Switzerland: $100 billion.

GNP of Saudi Arabia: $108 billion.

GNP of India: $150 billion.

shop. "I anticipated growing into a company of 60 employees." Went public 1963. Now over 20,000 employees; 1985 sales $1.38 billion. Legend: Woman called company complaining radio Vollum repaired many years before broke again; he refixed it. "When I fix something, it stays fixed." No private office, more scientist than businessman. Stepped down as chairman 1984. Pursuing science, arts. His 16% Tektronix worth $190 million.

Howard Phipps Jr.

Anne Phipps Sidamon-Eristoff

Brother and sister. Inheritance. Grandchildren Pittsburgh steel magnate Henry Phipps *(see Phipps family)*, children Howard Phipps (d. 1982). Howard ("Howdy"): Westbury, NY. 51. Married, 3 children. Lives quietly; represents self, sister on board family-founded Bessemer Trust; active in NYC cultural circles. "A true philanthropist." Anne (Mrs. Constantine Sidamon-Eristoff): NYC. 53. Married, 3 children. On boards Am. Mus. Nat'l History, Mus. Modern Art, conservation groups. Husband prominent attorney. Howard, Ann's share of grandfather's fortune worth at least $375 million.

Seymour Milstein

Paul Milstein

Brothers. Real estate. NYC and Scarsdale, NY. Seymour: 65. Married, 2 children. Paul: 62. Married, 2 children. Paul joined father's floor contracting company after WWII; put floors in United Nations, World Trade Center, etc. Seymour ran a second floor company. Both firms acquired 1960s; both brothers resigned after losing boardroom battles. Meanwhile, built 3 massive apt. buildings near Lincoln Center 1960s, 1970s (now starting to co-op); also hotels. Now among most active in new construction NYC: 2 office buildings downtown; 4 residential projects, including entire Upper East Side block. Partners in some deals with Robert Olnick, Weilers *(see both)*. Sold almost all of 1.5 million shares United Brands for near $40 million to Carl Lindner *(which see)* 1984. Angered by small role in Times Square redevelopment plan, suing to stop project. Reputation for toughness. Paul: "My competitors, my adversaries and my friends cannot really say I'm tough. They don't understand the word tough." Share net worth of at least $375 million.

Charles Allen Jr.

Herbert Allen

Herbert Anthony Allen

Stock market, real estate. NYC. Charlie: 82. Divorced, remarried; 3 children by first marriage. Brother Herb: 77. Widowed, remarried; 1 son, 1 daughter. Herb Jr.: 45. Divorced, 4 children. Charlie one of canniest investors of all time *(but see also Warren Buffett)*. Raised in Manhattan cold-water flat; high school dropout; Wall St. runner at 15; set up as bond trader age 19 with $1,000, 2 phones. Brought in Herb 1928. Made, lost, first million by 1929. Now prefers high-tech companies. Herb (semiretired) helped save firm with shrewd Depression trading. Since 1930s, phenomenal record buying into cheap, unlikely firms. Charlie's coup: bought $1 million Syntex 1958; value up 100-fold. Herbert's coup: bought $3 million Benguet Mining, sold for over $45 million. Herb Jr. joined 1962; against father's judgment bought 6% Columbia Pictures at $4 in 1973; sold to Coca-Cola, 1982, for $72 million. Took on first clients 1983. Allen & Co. partners bill each other for time spent giving advice, buy own office furniture, must invest own money before Allens buy in. Holdings in over 200 companies, plus real estate. Share fortune estimated at least $550 million.

Seymour Durst

Roy Durst

David Durst

Brothers. Real estate. Father Joseph emigrated from Austria 1902, started Durst Organization 1915 to oversee handful of NYC buildings (d. 1974). Sons moved into midtown Manhattan commercial properties 1940s; pioneered Third Avenue development. Followed father's rule: "Never buy farther than you can walk." Own about 100 properties: 4.5 million sq. ft. office space, large assembled blocks in path of Times Square redevelopment. Believe market may be overpriced; cautiously building nothing, buying little. Seymour: NYC. 72. Widowed, 4 children. Driving force among brothers, land assembler; urban historian, outspoken critic NYC zoning, rent stabilization: "Urban planning would be great if it ever actually got invented." Roy: Scarsdale, NY. 66. Married, 3 children. Manages, oversees construction. David: Chappaqua, NY. 60. Married, 5 children. Handles building design, leasing. Brothers equal partners in at least $550 million holdings; sister Alma has passive interest.

Average net worth among The Forbes Four Hundred is at least $335 million.

Russell Berrie

Teddy bears, et al. Russ Berrie & Co. Englewood, N.J. 51. Divorced, remarried; 4 children. Hustling Bronx kid who peddled discarded scorecards at the Polo Grounds. Dropped out of college for military; later sales rep for toy manufacturer. Started Russ Berrie & Co. in rented garage 1963, sold "fuzzy wuzzies" and other plastic creatures. Disastrous attempt at manufacturing early 1970s led to buying most merchandise in Far East. Now sells stuffed animals, mugs, aprons, etc. through gift shops; most items under $10. Sales $162 million 1984. "We deal with warmth, affection, friendship and love. That's nicer than selling napalm." Went public 1984, retained 72% stock worth over $180 million.

Edward Crosby Johnson III

Investment management. Boston. 55. Married; 2 daughters, 1 son. Father Edward II acquired tiny Fidelity Management & Research 1946, built into leading fund manager. Management style: "Children know you love them and that you're always there and otherwise you leave them alone and that's it." Son "Ned" CEO from 1972, owns over 60%; oversaw vast diversification, huge growth ($4 billion under management 1972; recently over $27 billion). Net exceeds $20 million. "The imperfections, that's all I see all day, my own plus everybody else's." Imperfections and all, his interest in company worth well over $180 million.

Bernard H. Mendik

Real estate. NYC. 56. Divorced, remarried; 3 children by first wife. "Bernie" born Scotland; raised South Bronx as son of handyman. Worked way through law school, into real estate 1957 with now-ex-brother-in-law Larry Silverstein *(which see)*. Split 1977; still partners some buildings. Has over 9 million sq. ft. Rehabs in Manhattan, builds in Conn.; institutional partners. This year: $480 million for 6,200 MacArthur Foundation apts. NYC. Plan: add $250 million rehab, co-op for $1.2 billion, split with co-op converter Martin Raynes (son-in-law of Marvin Davis, *which see*). Equity: $25 million each. "It's a good time to buy. It's always a good time to buy." Avid skier, runner. Net worth exceeds $180 million.

Larry Abraham Silverstein

Real estate. NYC. 54. Married, 3 children. Began as leasing broker with father. Syndicated with now-ex-brother-in-law Bernard Mendik *(which see)* 1957-77; still partners several buildings. Controls 7 million sq. ft. office space Manhattan. Now entering real big time: building $300 million, 47-story, 1.8-million-sq.-ft. No. 7 World Trade Center; each floor football-field size: 100% financing, retains full ownership. Negotiating reportedly tricky: "This has taken a bloody ton of staying power." More planned: huge project west of Times Square redevelopment, etc. Also office buildings Staten Island, N.J., Miami; shopping centers Kentucky, Delaware. Chairman NY Real Estate Board. Net worth exceeds $180 million.

The largest tax obligation incurred by a member of The Forbes Four Hundred in 1984 was $1.1 billion, by Gordon Getty, in liquidating the Sarah C. Getty Trust holdings of Getty Oil for $4.1 billion.

Patrick George Ryan

Insurance. Chicago, Ill. 48. Married, 3 sons. "Pat" son of Milwaukee Ford dealer, began Pat Ryan & Associates 1964. Brainstorm: Give car dealers Ryan commissions for packaging insurance with financing. Firm's sales over $200 million when acquired by friend W. Clement Stone's languishing Combined International Co. 1982. Ryan swapped 55% Ryan for 12% Combined, became CEO. In first year profits up 34%, to $110 million, on record $1.2 billion revenues. Used TV ads to become a leader in Medicare supplement insurance. Stock worth about $180 million. Pat, echoing Clem Stone: "I believe in a positive mental attitude."

Floyd Roger Hardesty

Construction. Tulsa. 47. Married, 2 children. Rural carpenter's son who left school to marry at 15. Drove Oklahoma City truck, lost job, moved to Tulsa to pour concrete. Tired of working for others, borrowed $75,000 to build houses 1958. Built 5 first year. Switched to apartments, then shopping centers 1960s. Fast: "No luxury, no monuments. We build for the masses." Brother "Butch" supervises construction. Today Hardesty Co. owns 15,000 units in 16 states. Building Nashville, Lexington, Jackson—wherever syndicators haven't distorted apt. market. 6' 4", 240 lb.; nobody tries to steal his 6-carat diamond ring. Hunts polar bears, elephants; daughter bagged a zebra. Flies own Boeing 727. Minimum net worth: $180 million.

M. Larry Lawrence

Real estate. San Diego, et al. 59. Twice divorced, remarried; 3 children by first wife. Politically active Chicago family. "Larry" delivered groceries at 9 during Depression; worked way up to clerk after school, weekends: "I worked all my life." Began developing Chicago real estate for others, then for self. Moved west 1953. Built over 11,000 "affordable" units, mostly Calif. under Riderwood name: "Kind of hokey, but it sells." Owns posh Hotel del Coronado, 33 oceanfront acres, Palm Springs Racquet Club. Key state Democratic leader, fundraiser. Has foes: "This is Reagan country." With reputed $100 million stock and bond portfolio, worth at least $180 million. "I hope to die at my desk."

Arthur Mitchell Sackler

Medicine, business, art. NYC. 72. Divorced, remarried; 4 children. Brooklyn-born doctor. Pioneer biological psychiatry, diagnostic use ultrasound; identified histamine as hormone, etc. Owns several medical publications; major interests $70 million (sales) Perdue-Frederick drug company, William Douglas MacAdams ad agency ($90 mil-

Warren Buffett made $2,390.14 per minute from appreciation of his shares in Berkshire Hathaway during the three years and one month following the last market bottom (assumes a 40-hour workweek and two-week annual vacation).

lion 1984 billings), denied by him. But most of all, art: archaic Chinese jades, pre-Columbian artifacts, etc., etc. Designs collections as centerpieces for scholarly studies: "A collection must be more than a simple accumulation of objects; it has to have a point of view." Now giving collections away; are half or more of estimated $175 million-plus fortune.

Richard Palmer Kaleioku Smart

Inheritance, ranching. Honolulu and Waimea, Hawaii. 72. Divorced, 2 sons. Great-great-great-grandson of John Palmer Parker, seaman who jumped ship 1809, befriended king of Hawaii, hired to shoot wild cattle. Married king's granddaughter; granted 2 acres as starter, later added nearly 50,000. Orphaned Richard raised by grandmother "Tootsie," quit Stanford for the stage (Broadway comedies, clubs); today runs Parker Ranch, largest single-owner U.S. ranch: 225,000 acres (incl. 150,000 fee simple) on Big Island; also 50,000 cattle, some commercial property, art. Said to have wild parties; otherwise low-key. Last of dynasty: local prep school to inherit ranch as 200 Parker relatives sue for land worth at least $175 million.

Norman Milton Lear

Television. Los Angeles. 63. Married, 3 daughters. Got start writing routines for LA comics: Danny Thomas, Dean Martin, Jerry Lewis, etc. With Bud Yorkin, formed Tandem Productions 1959. Wrote, produced films *(Divorce American Style)*; created TV shows *(All in the Family, Maude)*. With Jerrold Perenchio *(which see)* set up T.A.T. Communications 1974: *The Jeffersons; Mary Hartman, Mary Hartman*. Founded People for the American Way, a citizens group that battles Moral Majority. With Perenchio bought Embassy Communications for $25 million 1981; sold, with all TV properties, to Coca-Cola June 1985 for $485 million in cash, stock. Recently lost bid to Gannett for Evening News Association. Now sitting on cash, stock worth at least $175 million.

Andrew Jerrold Perenchio

Television. Los Angeles. 55. Twice divorced; 1 son, 2 stepdaughters from first marriage. Son of Fresno vintner; in prep school voted "Teller of Tall Tales." Worked way through UCLA booking bands, catering frat parties. Joined MCA 1958. Helped form talent agency 1963; also sports promoter. Started LA pay-TV operation ON-TV 1977; sold his 49% for $55 million 1981. Bought out partner of Norman Lear *(which see)* 1983; with Lear, started T.A.T. Communications bought Embassy Pictures for $25 million; sold to Coca-Cola for $485 million June 1985. Bought movie theater division from Loews for $160 million July 1985. With stock, net worth at least $175 million.

George Kozmetsky

Teledyne. Austin, Tex. 67. Married, 2 children. Harvard MBA with high distinction (1947); taught business, technology Harvard, Carnegie-Mellon; joined Hughes Aircraft 1952, Litton Labs 1954. With fellow Litton alum Henry Singleton *(which see)*, launched Teledyne 1960. Left 1966 to become business dean Univ. Texas. "He's dedicated to linking theory and practice . . . works from dawn to dark and can put together hundreds of pieces of disparate information." Advice: "Venture capitalists discovered that if you get in early, you might help win a Nobel Prize, but you won't make a lot of money." He did. With 5.6% Teledyne and other investments, worth at least $175 million.

Max Williams

Oil, real estate. Dallas. 47. Married; 1 son, 1 daughter. Worked in west Texas oilfields at age 15 after father died. All-state honors 3 years high school basketball; conference honors 3 years SMU. Managed Dallas ABA team 1967-71; fired: too many losses, poor attendance. Turned to real estate, then oil in mid-1970s real estate slump. His U.S. Companies, Inc. had huge hit 1976 in Austin Chalks; with geologists developed way to pump oil out of limestone. Claims success of 240 wells on 300 attempts. Also La. oil. "The best business in the world is the oil business." Also real estate: north Dallas; ranches Tex., Colo.; office buildings Tex., Denver, Jacksonville. World game hunter. Minimum net worth: $175 million.

Grover Connell

Food. Westfield, N.J. 67. Married, 3 children. Took over family business, Connell Rice & Sugar Co., 1950 (sales, $10 million). Now largest U.S. independent broker, trader in rice and sugar (sales, over $800 million). Also leasing heavy machinery. Has handled nearly all California's rice exports, 90% South Korea's imports. Charges of illegal dealings with Korean wheeler-dealer Tongsun Park dismissed 1979. Recently in Cuba with congressional group, "merely to visit." "I eat rice almost every day." Net worth: at least $175 million.

James Leroy Jaeger

Cincinnati Microwave. Cincinnati. 37. Married, 1 son. Quit $19,000-a-year electrical engineering job (1976) to join with partner in developing sophisticated automobile radar detector so "everyone who liked fast cars could drive without fear." Resulting product, the Escort, said by trade publication to be "the next best thing to buying a judge." Sold by mail to limit costs; manufacturing innovations increased margins. Following acrimonious dispute with partner, bought sole control, went public 1984, got $7.2 million cash, stock. "If the company had plodded along and we were making reasonable salaries, we'd still be fast friends." With stock and cash, worth $175 million.

Raymond L. Danner

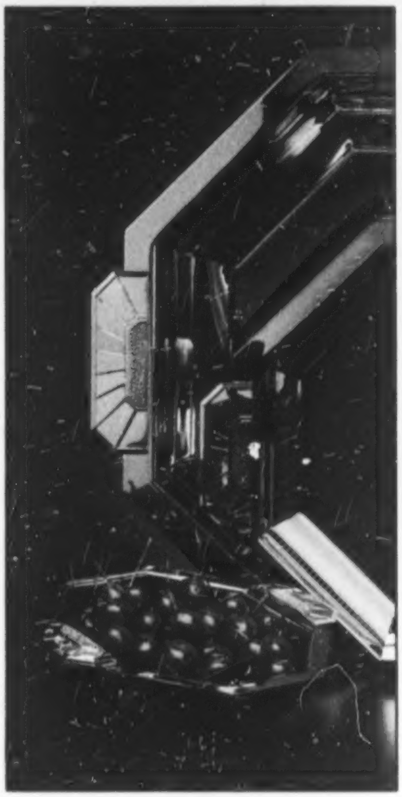
Shoney's. Nashville. 60. Divorced, remarried; 2 sons (1 deceased), 2 daughters. Father, immigrant German paperhanger, died leaving teenage Raymond to help provide for family with paper route. During Depression, all lived in one room above uncle's Louisville grocery store. After numerous ventures, bought first Shoney's coffee shop franchise 1958. Displayed "Danner drive," zealous attention to detail (known to have personally washed dishes, restrooms; still inspects restaurants). Acquired parent company 1971; added fried chicken and Captain D's seafood eateries. Now 1,230 owned and franchised restaurants from Washington, D.C. to Oklahoma. "It's a battlefield. You fight for business." His 21% stake plus real estate worth $175 million.

Joseph A. Albertson

Albertson's, Inc. Boise, Idaho. 79. Married, 1 daughter. Left college in Depression for $26 a week at Safeway Stores; quit as manager 1939. With $5,000 life savings, borrowed $7,500, opened Boise grocery with ex-Safeway boss L.S. Skaggs Sr. *(which see)*: co-pioneers drug-grocery store combination. Albertson's now 7th-largest supermarket chain, in 17 states; 1984 revenues $4.7 billion. Favors "lots of smiles and service" over loss leaders, advertising. Visits stores regularly. "I'll retire when they bury me." His 18.5% stake, etc., worth at least $170 million.

Bob John Magness

Cable TV. Denver, Colo. 61. Widowed, 2 sons. Born in Oklahoma, father ran commercial refrigeration business. Worked as roughneck; cottonseed buyer after college. Intrigued by cable TV, laid first system in Texas Panhandle 1956; became nation's largest cable TV corp. by perfected formula:



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Built cable systems, sold after depreciation used up, repeat. Formed Tele-Communications, Inc. 1968. TCI now reaches some 600 communities in 43 states; Magness current chairman. Collects Western art; oversees family's cattle and farming interests. "Every time I think I've had the full course and am about to graduate, I find some new lesson." Estimated net worth: $170 million.

William Shivers Morris III

Newspapers. Augusta, Ga. 51. Married; 3 children. Father left Augusta newspapers to family 1967. Eldest son "Billy" bought out brother, sister, mother after family lawsuit 1970; founded Morris Communications Corp. Rest of family started noncompeting chain. Billy's more profitable: now 14 dailies, 4 weeklies, 4 printing companies; modernized; circulation over 555,000. Bought 2 undistinguished Jacksonville (Fla.) dailies 1982 for reported $200 million. Employee: "It's a real pleasure to go to a staff meeting and have the publisher know what he's talking about." Billy: "We've got a long way to go. Rome was not built in a day." Bought one of biggest U.S. billboard companies. Despite debt, worth at least $170 million, denied by him.

Seward Prosser Mellon

Richard Prosser Mellon

Cassandra Mellon Milbury

Inheritance. Ligonier, Pa. Surviving adopted children of Richard King Mellon, grandson of Pittsburgh banker Judge Thomas Mellon (d. 1908). *(See also other Mellons, Conover, Scaife, May.)* RKM guided family banking-oil-stocks empire from 1930s until death in 1970. Seward (Pross): 43. Divorced, remarried; 2 daughters by first wife. After Susquehanna U. trained in trust department Mellon National Bank, now a director; also president family investment firm, Richard K. Mellon & Sons. Richard (Dick): 46. Divorced, remarried; 2 sons. Tried banking, left to pursue conservation and oceanology. Chairman family charitable foundation, Richard King Mellon Foundation. Cassandra (Mrs. Edwin Van R. Milbury): 45. Widowed, remarried; 2 children by first marriage. Active in philanthropy, civic affairs. Since death of mother Constance in 1980, three preside over trusts believed to be worth over $500 million.

W. Duncan MacMillan

John Hugh MacMillan III

Marion MacMillan Pictet

Brothers and sisters. Cargill, Inc. Children of John MacMillan Jr., who ran Cargill 1936-60 (d. 1960). Duncan: Wayzata, Minn. 55. Married, 4 children. Has long headed Waycrosse, Inc., family's private investment firm; Cargill director. Hugh: Fort Lauderdale, Fla. 57. Divorced, remarried; 6 children. Not active in company. Marnie (Mrs. Pictet): Geneva, Switzerland. 52. Divorced, remarried; 2 children. Out of U.S. most of the time. Share their family branch's approximately 25% of Cargill stock, worth at least $500 million. *(See Cargill/MacMillan family; also other Cargills, MacMillans, Keinath.)*

Whitney MacMillan

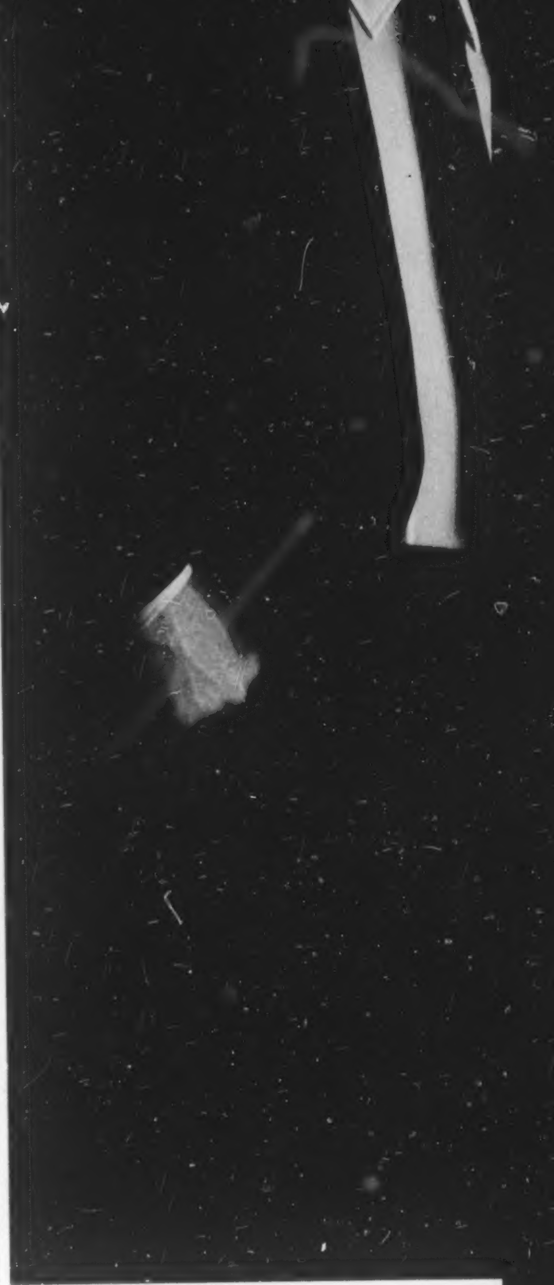
Cargill MacMillan Jr.

Pauline MacMillan Keinath

Brothers and sister. Cargill, Inc. Grandchildren of John MacMillan, who became president of grain giant Cargill on death of father-in-law founder. Whitney: Minneapolis. 56. Married, 2 children. Yale graduate 1951, joined company as vegetable oil merchant. Chairman 1977. Cargill: Minneapolis. 58. Married, 4 children; senior vp. Pauline: 51. Married. Little known, not active in company. Share their family branch's 25% Cargill stock, worth at least $500 million. *(See Cargill/MacMillan family; also other MacMillans, Cargills, Pictet).*

Ruth Chandler von Platen

Times Mirror Co. San Marino, Calif. 88. Last (of 8) surviving child of Harry Chandler, architect of turn-of-century Calif. media and real es-



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tate empire *(see Chandler)*. Died 1944, holdings divided among 7 living children. Ruth thrice widowed, remarried; 3 children, several stepchildren. Briefly taught hygiene and physical education. Second husband J.G. Boswell left her 11% J.G. Boswell Co., largest U.S. cotton producer, California farm operation; since sold off stake, but still heads James G. Boswell Foundation. Including roughly 4.4% Times Mirror stock (in trusts), net worth over $165 million.

A. James Clark

Construction, real estate. Bethesda, Md. 58. Married, 3 children. Virginia-raised boy couldn't afford Cornell tuition, took up engineering U. of Md. Started as field engineer at small Hyman Construction 1950 (revenues then $3.5 million). Now owns firm (revenues $400 million) as part of larger construction holding company Clark Enterprises; contract revenues over $750 million. "Jimmy" built D.C.'s L'Enfant Plaza, Washington Square, Four Seasons Hotel. Morning scull rower. "Elegant but not flamboyant." With Clark Enterprises, stocks, other real estate, net worth over $165 million.

The most highly valued art collection among members of The Forbes Four Hundred is believed to be that of Paul Mellon (well over $200 million).

Stanley Hugh Durwood

AMC Entertainment. Kansas City, Mo. 65. Divorced, remarried; 6 children. Took over father's 10-theater movie chain 1960. Built first 2-screen theater 1963 in suburban Kansas City shopping mall. Now up to 12-screen theaters; planning 20-screen plex: "The more we build, the more movies they'll make." Third-largest U.S. movie exhibitor: over 900 screens, mostly Sunbelt. Average 5 screens per theater, vs. 2½ industry average; less staff per screen, bigger concession profits, aggressive promotion. "All the machinations they do in Hollywood—I'm the payoff." Went public 1983. Failed takeover Kansas City bank 1984. Building downtown office tower. His 88% AMC stock, other assets, worth at least $165 million.

Sherman Cohen

Edward Baron Cohen

Brothers. Real estate. NYC. Quit William and Mary College for men's retail clothing; started Westchester construction company 1954, built midrise apt. buildings. Now own, develop large commercial properties midtown NYC. Set to build 1,100 apts. on Roosevelt Island, their first residential venture in 12 years. Also starting 31-story office building across from Bloomingdale's. Ed: "Manhattan is the beginning and end of everything. This is it!" Sherman, the financier, dominant brother: NYC and Greenwich, Conn. 62. (Son Charles is president). Ed, construction chief: NYC and Southampton, NY. 65. Both married; 2 children each. Avid golfers. Share minimum net worth $330 million.

John Earl Fetzer

Broadcasting. Kalamazoo, Mich. 84. Married, childless. Son of Decatur, Ind. mechanical engineer. Witnessed early wireless broadcast at 10. With equipment and $156, hit airwaves in Kalamazoo 1930; trad-

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ed airtime for meal tickets during Depression. U.S. Censor for Radio WWII; oversaw rehabilitation European radio. Built up Fetzer Broadcasting; sold 4 TV stations for $80 million 1985, also spun off 4 radio stations for stock. Still has cable, Muzak franchise, sports network. Disliked high prices of free agents, sold baseball Tigers for record $53 million to Tom Monaghan *(which see)* 1983. Interest in reincarnation, studies religion. Net worth estimated at least $160 million.

John Harold Johnson

Publishing. Chicago, Palm Springs. 67. Married, 1 daughter. Born Arkansas; widowed mother worked as housekeeper. Worked for insurance company after finishing high school Chicago's South Side. Pawned mother's furniture to launch *Negro Digest* 1942. Successful; started *Ebony*, first slick-paper magazine for blacks 1945. Today Johnson Publishing owns *Ebony*, *Jet*, 3 radio stations, cable, real estate, Fashion Fair cosmetics line. Wife Eunice is sec'y-treas.; daughter Linda, 27, being groomed for top spot. Consultant to presidents since Eisenhower. "You can't sell successfully to the black consumer market without me." Jesse Jackson peddled *Jet* subscriptions. Net worth at least $160 million.

Edward Wyllis Scripps

Publishing. Charlottesville, Va. 76. Divorced, remarried; 2 sons. Grandson of newspaper mogul E.W. Scripps; a sundered branch of family. Father James took over predecessor Scripps-Howard Newspapers 1909; early death 1921. E.W. took charge 1930 at 21. Further family disputes; split off from cousins as Scripps League Newspapers 1931; now 52 publications (22 dailies). Chain highly profitable; debt-free. Sons will inherit, but E.W. still very active: "It is better to wear out than to rust out." Net worth at least $160 million *(see also E.W. Scripps and J.E. Scripps families)*.

Maurice Raymond Greenberg

American International Group, Inc. NYC. 60. Married, 4 children. Dropped out of high school to join Army 1942. After, got law degree; then served in Korean War. Chance interview at Continental Casualty Co. Interview went badly; "Hank" went to higher-ups: hired instantly. Moved to C.V. Starr's American International Underwriters 1961, rose quickly; became successor 1968. Tough boss: "I'm perceived to be tough because I'm as demanding of others as of myself." Went public 1969 as A.I.G. Ownership A.I.G., related holding companies complex; certain stock held or controlled only by executives, sold back to company upon retirement. This excluded, his stock, other assets worth $160 million.

James Stanley Gilmore Jr.

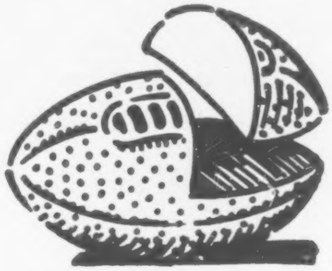
Broadcasting, investments. Kalamazoo, Mich. 59. Widowed, remarried; 5 children, 4 stepchildren. Widowed grandmother married cofounder of Upjohn *(which see)*: city's dominant family. Inherited Upjohn stock, bought first TV station (Joplin, Mo.) 1962 after mayoral term 1959-61. Today Gilmore Broadcasting Corp.: 3 TV stations, 4 radio, farming operation, etc. Several automotive dealerships at least $260 million sales. Revamping: sold cable interests; now seeking more TV, racetrack in the South. "We are moving in areas where the sun is." Genial, civic-minded; lost GOP bid for Congress 1980. Sponsors race-car driver A.J. Foyt Jr. With stocks, net worth at least $160 million.

Virginia McKnight Binger

Inheritance. Wayzata, Minn. and Manalapan, Fla. 69. Married; 1 son, 2 daughters. Only child of William McKnight, South Dakota boy who became key early executive failing sandpaper concern, built into 3M Co. (d. 1978). *(See also Ordway.)* With wife, left $500 million, creating $340 million foundation run by Virginia. Husband James, 69, rose to lead Honeywell, Inc; retired 1979 after 35 years. He now runs 5 Broadway Jujamcyn Theatres: "If there were no return on the investment, I would have lost my enthusiasm fast." Also top-class Tartan horse farms in Ocala, Fla. With over 1 million shares 3M stock, her net worth at least $160 million.

Franklin Nelson Groves

Construction; also Thoroughbreds. Wayzata, Minn. 54. Married, 3 children. Grandfather Stephen Jasper Groves, a Missouri farmer, started taking horses into town for construction work 1905. Father bought out 2 brothers, expanded, switched to highway construction as S.J. Groves & Sons. Franklin took over 1969. Since pushed diversification: dams, condos, airports, sewage plants. Racehorse enthusiast; owns first-class Kentucky North Ridge breeding farm; spent $10 million planting it with mature trees: "I like to be close to nature." Net worth at least $160 million.



At least 22 members of The Forbes Four Hundred own 30% or more of at least one professional football, baseball or basketball team.

Kenneth Harry Olsen

Digital Equipment Corp. Lincoln, Mass. 59. Married, 3 children. Graduated MIT, designed circuits at its Lincoln Labs. With $70,000, no business experience, built first minicomputers 1957 in old textile mill—still company headquarters. Credited with pioneering industry: small computers for sophisticated users. Organized DEC to stress flow of ideas from bottom up; decentralized control, noncommissioned sales force. "Since people want to work, all you have to do is treat them well." Recently unveiled "supermicrocomputer"—mainframe performance in small machine at fraction of cost. Sales $6.7 billion, 1985. Olsen gave nearly $80 million in stock to personal foundation this year. His remaining 1.5 million DEC shares worth $160 million.

The Forbes Four Hundred

Kenneth Stanley Adams Jr.

Oil. Houston. 62. Married, 3 children. Part Cherokee. Son of late "Boots" Adams, heavy-handed builder Phillips Petroleum. Ken (Bud) Jr. runs troubled Adams Resources, oil marketing and production; has substantial personal interest in company's drilling. Also over 10,000 acres Texas ranches, 15,000 acres Calif. vegetable farms. Owns biggest U.S. Lincoln-Mercury dealership (Houston). Also Houston football Oilers, "his only real contact with fame." Cofounder American Football League with Lamar Hunt *(which see)*. Frugal reputation: "Bottom Line Bud." Large collection Western art. Minimum net worth $160 million.

Samuel Joseph Frankino

Agency Rent-A-Car. West Palm Beach, Fla. 61. Divorced, remarried; 1 daughter. Modest real estate fortune accumulated 1950s-60s. Insurance agent friend needed a car for a client; Sam rented him new car bought for his teenage daughter. "My daughter never did get that Impala." Agent became the first client, others quickly followed. "The more money we got, the more cars we got, the more we grew." Now 95% of business is renting "loaners" to insurance cos. Low rates kept insurance cos. loyal clients, eliminated need for heavy advertising. Frankino took no salary until went public 1971. Then netted $30 million cash, plus stock; now 63% of company, $160,000 paycheck. Stock and other holdings worth about $160 million.

Charles Haywood Murphy Jr.

Murphy Oil Corp. El Dorado, Ark. 65. Married, 4 children. Began oil producing company at 16 with $5,000 gift from grandfather. At 21, after father suffered stroke, took over family business, transformed it from mostly timber to oil. Skipped formal education for tutors, eclectic reading. "I don't care a thing about business schools. They don't teach people to think. You get that from the classics." Through mergers, exploration, capital reinvestment, built integrated company with international refining and reserves; 1984 sales $2.3 billion. Retired as CEO 1984, still chairman. His 5.4 million shares worth $160 million; at least 50 relatives share additional stock worth $200 million.

Frank Sherman Morgan

Sherman W. Dreiseszun

Nephew, uncle. Real estate, banks. Kansas City, Mo. Morgan: 58. Divorced, 5 children. Dreiseszun: 61. Married, 2 children. Morgan son of immigrant traveling salesman. Naval storekeeper WWII, sold surplus war goods after. Joined uncle Dreiseszun in sportswear manufacturing 1950. Partners ever since, Morgan in forefront. Opened small suburban bank 1964, major shopping center 1967. Now at least 10 Kansas City area banks, assets near $2 billion; low expenses, high earnings. At least 10 major malls (10 million square feet) nationwide, also much prime Kansas City land. Dreiseszun handles shopping centers; Morgan, banks, real estate deals. Build (new 1 million square feet AT&T building), back others; credited with Kansas City's current building boom. Both extremely secretive. Morgan has others sign for him; holdings virtually all in names of relatives, friends. Their traceable assets over $300 million.

Ivan Frederick Boesky

Arbitrager. Mt. Kisco, NY and NYC. 48. Married, 4 children. Father emigrated from Russia age 12, ran Detroit restaurants. Ivan taught English in Iran, became lawyer, then tax accountant; Wall Street securities analyst at 29. Entered risk arbitrage. Established own firm 1975. Rumored $150 million profit from CBS attempted takeover, Gulf-Socal, Getty-Texaco mergers; $70 million loss from Phillips-Mesa. Has 300 phone lines. "Ivan could get any CEO in the country off the toilet to talk to him at 7 o'clock in the morning." Family owns Beverly Hills Hotel. "He's made more money than any of us and that makes him the best." Philanthropic (UJA, schools). Net worth believed to exceed $150 million.

Eugene "Jean" Paul Getty

Inheritance. London. 52. Divorced, widowed; 5 children. Third son of Jean Paul Getty *(see Gordon Getty)*; ran Getty Oil Italian operations. Led hippie life Rome 1960s; second wife overdosed 1971. Son Jean Paul III's ear severed by kidnappers 1973; now paralyzed for life after 1981 overdose. Another son, Tara Gabriel Galaxy Gramaphone Getty, 17, nominal suer uncle Gordon over control of $3 billion family trust 1984. Proposed settlement ($750 million each to 4 branches) pending. Rare book collector; gave $25 million to Britain's National Gallery in April. Even without settlement, trust income over years should have funded $150 million-plus fortune, given prudent management. Claus von Bülow manages financial affairs.

Fitz Eugene Dixon Jr.

Inheritance. Lafayette Hill, Pa., Palm Beach, Fla. 62. Married; 1 son, 1 daughter. Great-grandfathers Philadelphia streetcar industrialists P.A.B. Widener (d. 1915 worth $100 million), William Elkins (d. 1903 worth $30 million). Primary heir to both. Dropped out of Harvard freshman year, returned to prep school, Episcopal Academy, to teach 16½ years, "the happiest days of my life." Now on various state and charitable boards; trustee Univ. of Pa. Manages family fortune: blue-chip stocks, high grade municipal bonds; minority interest Phillies for fun. Also horses on 500-acre Erdenheim Farms. Daughter's $250,000 dressage horse proved unridable except by trainer. Fortune should vastly exceed $150 million.

Timothy Mellon

Catherine Mellon Conover

Siblings. Inheritance. Grandchildren of legendary financier Andrew Mellon (d. 1937) and children of Paul *(which see)*. Tim: Manchester, N.H. area. 43. Divorced, remarried; 1 stepdaughter. Left Yale with city planning degree; started computer programming firm 1969. With partner started company to pressure-treat railroad ties 1977. Paid $50 million for controlling interest Guilford Transportation, 4,700-mile track pieced together from old New England railroads. Made unsuccessful bid for Conrail; instead will buy 1,000 mi. of its track Norfolk & Southern doesn't want. Said involved in other interests: computers and flying; attends business meetings wearing flight jacket. Cathy: Washington, D.C. and Idaho. 49. Twice divorced; 3 children by first marriage to Senator John Warner. *His* divorce settlement $9 million plus two houses. Cathy antiwar activist, now active supporter Rocky Mountain environmental issues. Each sibling reportedly received $100 million in trusts from grandfather. With conservative investment, each could easily exceed $150 million.

Belton Kleberg Johnson

Ranching. San Antonio and La Pryor, Tex. 55. Married, 3 children. Cowboy preppie, spent high school (Deerfield Academy) vacations roping calves. Uncle Bob Kleberg, King Ranch patriarch, adopted as protégé, willed him his boots. Family ignored symbolism; chose less dominant personality as successor 1974. "B," with substantial separate ranching interests, sold his 12% share to family for $70 million. Now owns over 100,000 acres Tex., Calif.: oil, 15,000 head cattle. Also majority San Antonio Hyatt; agricultural consulting firm; banks; stocks. Director AT&T, Campbell Soup. "I really thought I'd never do more than ranch. If I had my druthers, I'd be on the Chaparrosa" (his main ranch). Net worth exceeds $150 million. *(See also Kleberg family.)*

Clarence Douglas Dillon

Investments. Far Hills, N.J. 76. Widowed, remarried; 2 children by first wife. Father (d. 1979) leader of 1920s Wall Street establishment with Dillon Read & Co.; locked horns with house of Morgan. C. Douglas: distinguished public service—ambassador to France 1953-57, Treasury Sec'y 1961-5; 14-year chairman Metropolitan Museum of Art, NYC, to 1983; guided museum through tremendous expansion. Sold family's interest in Dillon Read to Bechtel Group *(which see)* 1981; liquidated 33%-owned U.S. & Foreign Securities 1984. Now fighting for budget reform. With his famed Château Haut-Brion vineyards, France (run by daughter Joan, the Duchesse de Mouchy), etc., believed worth over $150 million.

Irénée du Pont Jr.

Irene Sophie du Pont May

Margaretta Lammot du Pont Greenewalt

Constance Simons du Pont Darden

Eleanor Francis du Pont Rust

Mariana du Pont Silliman

Octavia Mary du Pont Bredin

Lucile Evelina du Pont Flint

Brother and sisters. Inheritance. Children of Irénée Sr. (d. 1963), president Du Pont Co. 1919-26, during critical years of investing in, rebuilding GM. Great-great-grandchildren founder of Du Pont Co. *(see various du Ponts, family).* Irénée Jr.: Montchanin, Del. 65. Married, 5 children. With Du Pont Co. 32 years, retired as sr. vp 1978. Still on board; also boards Wilmington Trust, Longwood (family foundation). Oversaw merger family holding company, Christiana Securities, into Du Pont 1977. With cousins Edward Bradford du Pont and Hugh Rodney Sharp III *(which see),* forms family leadership triumvirate. Favored mode of transportation vintage Chevrolet Impala. Irene Sophie (Mrs. Ernest May): Wilmington, Del. 84. Married, 4 children. Margaretta Lammot (Mrs. Crawford H. Greenewalt): Greenville, Del. 83. Married, 3 children. Husband president Du Pont Co. 1948-62, still on board. Constance Simons (Mrs. Colgate W. Darden Jr.): Norfolk, Va. 81. Widowed, 3 children. Husband (d. 1981) governor of Va. 1942-46. Eleanor Francis (Mrs. Phillip Gordon Rust): Thomasville, Ga. 78. Married, 4 children. Mariana (Mrs. Henry Harper Silliman): Hagley, Montchanin, Del. 74. Married, 6 children. Husband vp in family brokerage Laird, Bissel & Meeds. Octavia Mary (Mrs. John Bruce Bredin): Greenville. 72. Married, 6 children. Husband director of Wilmington Trust, family bank. Lucile Evelina (Mrs. Robert Baronet Flint): Greenville. 70. Married, 5 children. The 8 siblings, families share at least $1.2 billion.

Edward Bradford du Pont

Margaret Lewis du Pont Smith

Joan Wheeler du Pont

Brother, sister, sister-in-law. Inheritance. Heirs Henry Belin du Pont Jr. (d. 1970), orphaned nephew of Pierre S. du Pont, who raised him, included his children in distribution of fortune *(see various du Ponts, family).* Edward: Wilmington, Del. 51. Married, 3 children. Chairman Atlantic Aviation (1984 revenues, $200 million). Director Du Pont, president Eleutherian Mills-Hagley Foundation. With cousins Irénée du Pont and Hugh R. Sharp III, triumvirate of 6th generation. Peggy (Mrs. Edgar Newbold Smith): Thornedge Farm, Paoli, Pa. 65. Married to financial consultant, 4 children. On board Atlantic Aviation. Joan: Southport, Conn. 49. Widowed, 1 son. Husband Henry III died 1976 in plane accident. Three share in family fortune of at least $450 million.

Wilhelmina du Pont Ross

Inheritance. Montchanin, Del. 78. Widowed, 3 children. (Mrs. Donald Peabody) Ross only surviving child William K. du Pont (d. 1907), niece of Pierre *(see various du Ponts, family);* received 4% share in his 1924 distributed wealth. Husband in family partnership that founded Delaware Park racetrack, 1937. Hobbies: gardening, breeding hunting dogs and horses. Net worth at least $150 million.

Pamela Cunningham Copeland

Lammot du Pont Copeland Jr.

Louisa Copeland Duemling

Gerret van Sweringen Copeland

Mother, sons, daughter. Inheritance. Widow and children of Lammot du Pont Copeland (d. 1983),

Among members of The Forbes Four Hundred, Leonard Shoen has the largest number of children (12)

nephew of Pierre and president Du Pont Co. 1962-67, oversaw company's smooth divestiture GM stock and overseas expansion *(see various du Ponts, family)*. Pamela: Greenville, Del. Late 70s. Widowed, 3 children. Said to be last du Pont enjoying the old style: grand, heavily staffed estate. Lammot Jr. (Motsey): Wilmington, Del. 52. Married, 2 children. Infamous $59 million personal bankruptcy 1970 led to father's resignation from Du Pont Co. Family trusts off-limits to creditors. Now publishing newsletters, trade magazines. Louisa: Washington, D.C. 49. Divorced, remarried; 3 children. Director Du Pont, Corcoran Gallery, National Parks Foundation. Former president board of Miss Porter's School. Husband former U.S. ambassador Surinam. Gerret: Wilmington, Del. Late 40s. Divorced, remarried. Oenophile with Napa Valley vineyard. Four share in fortune worth at least $600 million.

Ezra Khedouri Zilkha

Investments. NYC. 60. Married; 1 son, 2 daughters. Father Khedouri A. (d. 1956) started Baghdad bank 1899, became known as "Rothschild of East," offices from Cairo to Hong Kong. With family fled WWII for U.S. 1941; lost Middle East assets in Arab-Israeli strife. Ezra naturalized 1950; formed partnership with larger Wachovia and Fidelity banks 1967, resigned chairmanship Fidelity International Bank 1979. Now manages vast investments, mostly U.S.; serves on Cigna, Revlon, other boards; allied with Morgan Stanley in Conrail battle ($25 million stake). "I am from the Middle East, and so I am an assets man." Wife Cecile active NYC socialite; director Metropolitan Opera. Has much hidden wealth; total believed to exceed $150 million.

Mary Fendrich Hulman

Inheritance. Terre Haute, Ind. 80. Widowed; 1 daughter. Grandfather John Fendrich started successful Fendrich Cigar Co. 1915; shut down after overseas operations bombed out WWII. Married Anton Hulman Jr. 1926 (d. 1977), ran family wholesale grocer Hulman & Co. "He was baking powder, I was tobacco." "Tony" bought Indianapolis Speedway for $750,000 from ex-flying ace Eddie Rickenbacker 1945. "Eddie thought he was selling a pig in a poke." Indy 500 became nation's preeminent auto race. Anton added TV, radio, Coke bottling plants, etc. Mary still chairman of the board, commences race: "Gentlemen, start your engines." With real estate, other investments, net worth over $150 million.

Frank Batten

Publishing, broadcasting. Virginia Beach, Va. 58. Married; 1 son, 2 daughters. Nephew of S.L. Slover, who arrived Virginia 1900; sold ads; was offered half-interest in newspaper conditional on turning profit within a year. He succeeded; built Landmark Communications; raised Frank. Frank took over 1954, at 27; reshaped. Began aggressive expansion 1963 with first cable franchises; cable now one-third of revenues. Also 10 daily newspapers (flagship: *Norfolk Pilot/Ledger-Star*), 22 weekly papers, 2 radio stations, 2 TV stations. Chairman Associated Press Board. His 24% Landmark (54% voting stock) believed worth at least $150 million.

Lawrence Arthur Wien

Real estate, law. NYC. 80. Married, 2 children. Son of wealthy silk manufacturer; founded law firm 1929. With partners put up $8,000 for Harlem apt. house 1931. Pioneered real estate syndication 1949, funded deals with Harry Helmsley *(which see)*. Wien-assembled groups control $2 billion NYC property, incl. Empire State Building; has piece of each, collects substantial legal fees through 50-lawyer firm. "Our clients invested because they wanted our total involvement." Claims 2,000 Florida retirees live solely on income from his syndicates. Philanthropic. Consensus of peers: worth over $150 million.

Generoso Paul Pope Jr.

Publishing. Manalapan, Fla. 58. Widowed, divorced, remarried; 6 children. Son of Generoso Pope Sr., Italian immigrant who arrived NY early 1900s with $4 in pocket. Worked way up from water boy to president of large sand and gravel company. Bought *Il Progresso*, largest Italian-language newspaper; radio station. Jr. given charge of newspaper at 19, after MIT engineering degree. Worked for CIA, quit; bought *National Enquirer* 1952 on borrowed money: "I spent 90%

The colleges and universities that have graduated the largest number of persons among The Forbes Four Hundred are:

Yale	**25**
Harvard	**12**
MIT	**10**
Princeton	**9**
NYU	**8**
Stanford	**8**
SMU	**7**
Univ. of Texas	**7**
Columbia	**6**
Northwestern	**5**
Univ. of Chicago	**5**
Univ. of Penn.	**5**

of my time in the first six years borrowing from one guy to pay off the other guy." Toned down sensationalism; added racier *Weekly World News* 1980. Revenues now over $140 million. Net worth: at least $150 million.

Orvon Gene Autry

Broadcasting, real estate. Los Angeles and Palm Springs. 78. Widowed, remarried; childless. Reared Texas, learned to ride and rope on Oklahoma ranch. Telegraph operator, CPA, railroad work out of high school. On advice became "Oklahoma's Yodeling Cowboy" on Tulsa radio; Chicago radio yodeler 1930. Made records, Western movies; CBS radio show 1940-57. Bestseller: "Rudolph the Red-Nosed Reindeer." Bought first radio station 1952. Golden West Broadcasting now 5 radio stations; recently sold off last of 7 TV stations once owned with Signal Cos. Bought baseball Angels after losing rights to air Dodgers 1960. With real estate, music publishing, hotel, net worth at least $150 million.

Armand Hammer

Entrepreneur. LA, NYC, Moscow. 87. Twice divorced, remarried; 1 son by first wife. Bronx-born son of Russian immigrants. Physician-businessman father active in Socialist Labor Party. Armand left for Russia (1921) after medical school to help with relief. Traded grain for fur, gems. Soviet-granted pencil monopoly. Friendship with Lenin gives ongoing Russian entrée. Returned with millions in art. Sold liquor, cattle, oil, gas, etc. After brief retirement 1950s, bought tiny, crippled Occidental Petroleum. Now $16 billion sales. Won't "retire, probably just expire." With art, $37 million Occidental stock, etc. believed worth at least $150 million. "All I know is that I'm worth plenty."

Jack D. Weiler

Alan Weiler

Robert H. Arnow

Father, son, son-in-law. Real estate. NYC. Jack: 81. Married, 2 children. Emigrated from Russia to NYC at 6, 7th child poor Ukrainian teacher. Became clerk in real estate office after high school. Started on own with late partner Ben Swig *(see Swigs, Dinner)*, who handled Boston, then SF. Top lease locator, broker for big retail chains 1940s, 1950s. Now Swig, Weiler & Arnow owns commercial properties mostly NYC and SF, also Houston. Jack early, substantial backer Israel, built housing for Holocaust immigrants: district of Jerusalem named after him; now spends most time on philanthropies. Son Alan: 51. Married, 3 children. Attorney, very active in company. Also active, son-in-law Robert Arnow: 61. Married, 4 children. Cousin of Swigs. Except hotels, two families share almost all properties. Swigs manage in West, Weilers East. Swigs paid estimated $200 million 1982 to buy out Weilers' half interest in Fairmont Hotels. Three share fortune worth at least $450 million.

Melvyn Swig

Richard Swig

Richard Dinner

Brothers and brother-in-law. Real estate. San Francisco. Sons, son-in-law of Ben Swig (d. 1980), who operated in Boston while partner Jack Weiler *(which see)* operated in NYC. Swig moved to San Francisco 1946, bought commercial property. Now Swig, Weiler & Arnow. Developed exclusive 4-hotel Fairmont chain (SF, New Orleans, Dallas, Denver); construction San Jose, Chicago; Swigs bought Weilers' half interest 1982 for estimated $200 million. Partners in almost all other properties. Mel: 68. Married, 3 children. Heads real estate operations. College hockey player, once owned predecessor of Minnesota North Stars. Very active Democrat. Richard: 60. Married, 4 children. Runs hotels. Cooperative but separate: "Melvyn does his thing, and I do mine." Richard Dinner: 64. Widowed, 2 children. Comanages vast holdings. Horsing interests. These 3 share fortune worth over $450 million.

Great Family Fortunes

Some major fortunes in the U.S. ($250 million and up) have already been so divided among heirs or family members that no individual qualifies for The Forbes Four Hundred, yet the families still show enough cohesion—in financial matters, at any rate—to be considered as entities. Those uncovered in our research follow. The listing is extensive but not intended to be as complete as our search for the richest *individuals* in America. Think of most as the significant echoes of those who would have been members of The Forbes Four Hundred had we compiled it a few decades ago.

Family Fortunes

Bancroft

Origin: NYC. Great-grandchildren of Clarence Barron (1855-1928), who built up *Wall Street Journal*, Dow Ticker. Barron's holdings split among three grandchildren: Jane Cook *(which see)*, Jessie Cox (d. 1982; *see William Jr., Jane MacElree)*, Hugh Bancroft Jr. (d. 1953). Hugh's 4 children share one-third family fortune. Bettina, Los Angeles, part-time archaeologist; serves on board Dow Jones. Hugh, Newport Beach, Calif., designs, builds antique-like cars in nearby Costa Mesa; travels widely. Chris runs small real estate company, several local ice cream shops in Denton, Tex. Kathryn (Mrs. Stratos Kavadas), Newton, Mass., active in fine arts, philanthropy. Four siblings preside over interlocking trusts worth $520 million in Dow Jones stock (one-third of family's 56% of company). Price recently depressed because of proposed changes in equity structure targeted at ensuring family control.

Belk

Charlotte, N.C. Descendants of William Henry Belk, who opened general store Monroe, N.C. 1888, and brother John, who joined him. Gave no credit; bought out, for pennies on the dollar, competitors who did. Result, big expansion during Great Depression: opened 140 stores 1929-40. "I don't reckon we got a system. We just sell goods." About 25 family members share ownership 380 department stores in 16 southeastern states, Puerto Rico. All separate corporations, mostly shared with local owner-managers. Family known to feud: William Jr. ousted as chairman 1950s, tried to thwart brother John's Charlotte mayoral bid 1969. Failed; John served until 1977, now chairs company. Fortune over $300 million.

Belz

Memphis. Three generations in real estate. Philip, 81, came to U.S. from Austria with mother 1910, began buying land early 1940s; family grew with Memphis. Rarely sell; deplore joint ventures and debt: "Buying vacant land with other people's money is a very dangerous thing." Early developer of industrial parks. Probably largest landlords Tenn.; over 750 tracts in Memphis' Shelby County alone. Motels (14 Holiday Inns), shopping centers, office buildings, apartments, farmland; lately off-price outlet malls all over U.S. Two sons killed in plane crash 1963; third, Jack, 57, now runs firm with relatives, collects antique clocks. Family fortune believed to exceed $250 million.

Block

Toledo, Pittsburgh. Father Paul Sr. built newspaper chain from 1915; had to sell most during Depression (d. 1941). Sons both Yale grads; took over business 1941, 1946. Paul, 74, operates *Toledo Blade* (circ. 165,000). Ph.D. chemistry. Politically conservative. Bill, 70, started at *Blade* 1937; Pittsburgh *Post-Gazette* (circ. 180,000) since 1946; supervises editorial policy, "the rest is a glorified complaint desk." Politically liberal. Jointly own both papers, a smaller one in California, 4 TV stations, cable now over 100,000 subscribers. Brothers share fortune worth about $300 million.

Brown

Louisville. Descendants of George Garvin Brown, who made high-quality prescription whiskey in 1870s predecessor of Brown-Forman Inc. (Jack Daniels, Old Forester, Korbel). Sold Old Forester as "medicine" during Prohibition. Since: high quality, high prices, lots of ads. "Never cut prices except under sharpest necessity. And never cut quality under any circumstance." Great-grandsons run company: brothers Lee Brown, CEO, and Owsley, president; cousins Owsley Frazier, vice-chmn., and Robinson S. Brown III, asst. sec. of board of directors. "We take care of the sons; the sons-in-law are on their own. The Browns do not seek the participation or advice of their ladies in the business." Lenox Inc. (fine china) invented poison pill defense 1983 amid Brown takeover bid (dropped after getting sweetened offer). Family worth well above $430 million.

Buck

California, et al. Scattered descendants of orchard magnate Frank Henry Buck, who invested $250,000 in Belridge Oil 1911. Family received $665 million from 1979 buyout of Shell, of which San Francisco Foundation got $253 million through second-generation Beryl (d. 1975). Stipulation: Money must be distributed in already wealthy Marin County. Eva, 88, widow of California congressman Frank II (d. 1942), contributed to hometown Vacaville (Calif.) Museum and others; got largest share—some $70 million aftertax. Founder's grandchildren shared rest. Frank III now manages family money: "I don't want banks managing my money. You might as well make your own mistakes." Combined, 6 descendants worth at least $325 million.

Cabot

Boston area. Descendants of John Cabot, immigrant merchant from island of Jersey (1700). Boston "Brahmins" ("The Lowells speak only to Cabots/Cabots speak only to God"). Family gained money through marriage. Biggest business success: Godfrey Cabot founded predecessor to Cabot Corp. in 1882 to make carbon black. Product remains vital for tires; business boomed with cars; 1984 sales, $1.75 billion. Descendants hold about 40%, worth $315 million. Louis W. Cabot, 64, heads company; 2 relatives on board. Other branches still wealthy, influential, but prominence has been diluted over numerous generations.

Campbell

Hawaii and elsewhere. James Campbell, adventurer at 13, left Ireland in schooner as stowaway 1839. Survived shipwreck, capture by cannibals, working for brother in New York. Arrived Hawaii 1850; started mill, bought much raw land, including 43,640 acres "more or less" in 1877 for $95,000. Natives soon dubbed him "Kimo Ona-Milliona" (James the Millionaire). Estate now owns over 80,000 acres (includes 10% of Oahu island); also state's largest industrial park. Many leaseholds, mostly undeveloped. Some 14 heirs get only income, but maybe 30 to 50 will get—and perhaps clash over—land when trust dissolves 20 years after death of James' last surviving daughter, now 90. Estate today worth well in excess of $300 million.

Cargill/MacMillan

Origin: Minneapolis. Founder William W. Cargill, son of Scottish sea captain. Born on Long Island, moved west, set up Cargill, Inc. 1865, quickly became leading Midwest grain trader. Across-the-street neighbor John Hugh MacMillan married Cargill's daughter 1895, became company president on Cargill's death 1909. MacMillans remain more active in management: Run by John and John Jr. to 1960; now 4th-generation nephew Whitney MacMillan is chairman. Based near Minneapolis, company is one of world's biggest grain traders, food processors; revenues estimated over $30 billion. Also other foodstuffs (second-largest beef packer), steel. Cargill and MacMillan families own 85%, worth at least $1.7 billion, of which some $1.5 billion shared equally by 3 main branches *(see individual Cargills, MacMillans, Keinath, Pictet)*, remainder scattered.

Chandler

Los Angeles, et al. Harry Chandler controlled LA newspaper distribution 1880s; helped *Los Angeles Times* publisher Harrison Gray Otis squeeze out major competitor, *Morning Tribune*. Chandler joined *Times*, married Otis' daughter, built media-real estate empire. Became one of largest landowners southern California. On death, 1944, split Times Mirror Co. fortune among 7 children (6 now deceased). Grandson Otis, 57, now chairman, improved paper, acquired 7 other dailies, including *Newsday, Dallas Times Herald*. Also, 6 magazines, 7 TV stations, 4 book publishers, 272,000 acres timberland, cable, etc. "For three generations they have stood at the center of California life, making and breaking political careers, directing the economic progress of Los Angeles, and profiting, always profiting." In addition to Ruth Chandler von Platen *(which see)*, 44 descendants have shares in trust (26.3% TM) worth over $880 million.

Coors

Golden, Colo. and various. Descendants of Adolph Coors, German immigrant built small brewery 1873; now largest under one roof, company 5th-largest U.S. brewer. Also one of world's largest producers industrial ceramics. 2 grandsons, 2 great-grandsons now run company; one great-grandson receiving Ph.D. from German brewing school. Vice chairman Joseph friend of President Reagan; a founder Heritage Foundation (conservative think tank). Widespread public perception of race bias, ultraconservative family leanings led to boycotts and acrimony. Company agreed (1984) to invest hundreds of millions in minority areas. Earnings slid 50% during past year; beer sales fell slightly (1984 total sales, $1.13 billion). Five family members control all voting stock; over 75 own approximately 77% of company. Total worth: more than $560 million.

Heirs of Gardner Cowles

Des Moines, Minneapolis, et al. Founder Gardner Cowles Sr. bought struggling *Des Moines Register* 1903 for $300,000; eliminated competition, added evening *Tribune*, built respectable paper. Son John Sr. (d. 1983) followed suit with *Minneapolis Star*, from 1935. Second son Gardner (Mike) Jr., 82, did same with *Look* magazine until wiped out by TV. Third generation competed with one another; lost some newspapers, profits, family unity. Attempt to merge 2 family firms failed. John Jr., 56, ousted as Register president. Cowles Broadcasting (public) sold to Oveta Culp Hobby *(which see)* 1984. Founder's grandson, David Kruidenier, 64, dismantling Register properties: recently sold flagship *Register*, other properties to Gannett Co. for $261 million. In process of selling 4

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broadcast properties for $92 million. Over 70 family members share fortune well over $425 million.

Heirs of William Cowles

Spokane. William Hutchinson Cowles, young *Chicago Tribune* reporter moved west 1891 to new Spokane paper (father was treasurer). Sole control of *Spokesman-Review* 1894; bought rival *Chronicle* 1897. William Jr. added Spokane radio 1946, TV 1952. Grandsons: James, 51, handles extensive properties; brother William III, 53, merged papers 1983. Today Cowles Publishing Co.: *Spokesman-Review/Chronicle* (circ. 131,000), 1 TV station, 2 radio, 500,000 sq. ft. prime downtown retail space, timber, undeveloped land; much well-hidden. Also large stake Tribune Co.; paper mill, farming magazines. Secretive even to bankers. Distant cousins of Gardner's heirs *(see above)*, "but we try to play it down." Eight descendants (also Seattle; Calif.) worth at least $250 million, mostly held in trust.

Cullen

Houston. Descendants of Hugh Roy Cullen, grade school dropout, legendary wildcatter; hit famed Tom O'Connor field early 1930s (500 million bbl.). Drilled abandoned dry holes deeper, found the oil. Began Quintana Petroleum 1932; now one of biggest producers in state. After only son was killed in oilfield accident 1936, Cullen gave away 90% of his $200 million fortune (d. 1957). Three daughters and their husbands built up immense oil and gas reserves again, mostly Tex., La. Two sons of fourth, estranged, daughter (d. 1966) lost suit 1984 for major share of fortune; have passive $25 million-a-year interest. Quintana now run by executive committee; no president. Son-in-law Corbin Robertson leader of family with more than 50 members; runs Quintana with other sons-in-law and cousins. Despite declining oil prices, net worth at least $1.75 billion.

Davis

Jacksonville, Fla. and various. Descendants of William Milton Davis, founder of Winn-Dixie Stores (1925). Four sons (1 deceased) built firm into fourth-largest supermarket chain: 1,262 outlets in 13 southern states; sales $7.3 billion. Grandson A. Dano began Winn-Dixie career racking bottles 1962, became president 1982. "It's not the only way to know what's going on in the business, but we think it's the best." Father James, 78, largest Davis shareholder, recently retired chairman *(see Near Misses).* Two other Davises in senior management positions; many other executives long-term employees. Company resists unionism through generous employee profit sharing (some 56% hold stock). Also maintains one of nation's largest political action committees: "We just believe in free enterprise." Over 30 descendants share 38% Winn-Dixie. With insurance holdings, other interests, net worth over $600 million.

Dayton

Minneapolis. Descendants of George Draper Dayton, banker with new vacant building in downtown Minneapolis 1902, bought dry goods company to have a tenant. Five grandsons, ages 60 to 71, raised on isolated 800-acre farm, taught to cooperate. Took over one-store business 1950, sales $50 million; followed customers to suburbs. Merged with Hudson's (Detroit) 1969. Now $8 billion Dayton-Hudson chain, 5th-largest nonfood retailer (Target, Mervyns, B. Dalton). No family in current management; grandson, Ken, 63, retired 1983: "Perhaps our egos and ambitions didn't stand in the way of doing the right thing in a timely way." With stock sales, reinvestments, family's net worth over $825 million. *(See also Alida Rockefeller Dayton.)*

de Young

San Francisco, et al. Descendants of Michael H. de Young, who started *San Francisco Chronicle* 1865 with brother Charles. Paper "entertained" public with local scandals, Wild West shootouts, mudslinging. Charles shot dead in office by angry reader. M.H. assumed editorial functions; years later another reader tried to shoot him. De Youngs long feuded with rival Hearsts *(which see);* now jointly publish Sunday edition to save costs. Mild-mannered great-grandson Richard T. Thieriot, 43, family head, publisher since 1977. Today: Chronicle Publishing Co. owns 4 TV stations, 3 daily newspapers, cable, real estate. Fewer than 30 descendants, none with de Young surname, share fortune worth $450 million.

Dikeou

Real estate. Denver and Orlando, Fla. Pronounced "D-Q." Father Panayes (Pete) (d. 1977) emigrated from Greece 1921, wholesaled popcorn, built candy and tobacco distribution company with brother. At one time owned most vending machines in Denver. Switched to more profitable real estate 1940s. Established family strategy: buy small parcels well located downtown; be last holdouts in land-assemblage deals. Sons John, George and Deno own some scattered 15 acres downtown Denver. Recently completed first skyscraper. Now buying land near major airports (Denver, Houston, et al.) for future. Deno runs Florida shopping centers, bank. Family trying to bring pro baseball to Denver. Net worth estimated at $250 million.

DiLorenzo

NYC. Heirs of Alex DiLorenzo Jr., Brooklyn pharmacist, collected rents for older brother. After law school 1951, joined neighbor, real estate acquirer Sol Goldman *(which see).* Formed Goldman-DiLorenzo once NYC's largest landlord. Lost 40% of properties in 1973-74 real estate crash. On his death 1975, son Alex III and Goldman split remaining properties with flips of a coin. Now, under various corporate names, family reports ownership some 300 parcels; mostly small, unglamorous, many outer-borough commercial buildings. Selling residential properties. Not interested in new buildings: "Construction is more of a promoter's game. I would rather own a thousand buildings." Brother Marc also active; sister Lisa and mother have passive interest. Little apparent debt, properties worth some $400 million.

Disney

Los Angeles area. Heirs of Walter Elias Disney, celebrated cartoonist who struggled as Chicago paperboy, mail sorter, ambulance driver, arrived Hollywood 1923 with $40. With brother Roy O. (the business half) borrowed, launched movie studio in garage. Conceived Mickey Mouse 1928; Snow White 1937; Disneyland 1955. Walt Disney Productions (films, cartoons, theme parks, etc.) now a world institution. "When this guy sank his teeth into something, he never let go." Walter died 1966; widow Lillian, daughters Sharon Lund, Diane Miller (wife of CEO Ron) and 10 grandchildren believed to hold at least 10% of firm, worth over $250 million. *(See also Roy E. Disney.)*

Donnelley

Origin: Chicago. Scattered descendants of Richard R. Donnelley, Canadian printer's apprentice who ran away to set up shop Chicago 1864. Destroyed by Great Fire of 1871; built anew by family into R.R. Donnelley & Sons, now largest U.S. commercial printer (for *Time, Newsweek, World Book Encyclopedia,* et al.); 1984 revenues, $1.8 billion. Family still owns 21%. Also Reuben H. Donnelley Co., one of largest Yellow Pages publishers, sold to Dun & Bradstreet for $80 million in stock. Gaylord, 75, retired chairman and last of third generation, has largest single stake worth $130 million. Some 75 descendants share fortune worth at least $700 million.

du Pont

Wilmington, Del. area primarily. Some 1,700 descendants of Pierre Samuel du Pont de Nemours (1739-1817), who fled French Terror for America 1800. Son Eleuthère Irénée, chemist's apprentice, founded gunpowder mill 1802. WWI established E.I. du Pont de Nemours Co. premiere munitions manufacturer, but cousins feuded, leaving Pierre Samuel du Pont II, 5th generation, with majority stock. His rescue General Motors rewarded with one-third interest that company. Pierre, childless, distributed vast fortune to nieces and nephews before death 1958. Family now into 8th generation, still controls nearly 25% stock Du Pont (1984 revenues, $36 billion). Each family household provided with large, leather-bound volume of charts, indexed by individual name and periodically updated to include births, deaths, marriages, divorces: needed to keep track. Family net worth estimated at $10 billion, concentrated among nearest relations Pierre II. (Includes 33 family members listed individually, and the Laird family, all of which see.)

Fisher (Detroit)

Detroit area; Palm Beach. Seven Fisher brothers learned carriage-making from Ohio blacksmith father, went to Detroit and prospered by pioneering rugged bodies needed for cars. Developed enclosed sedans for year-round use, interchangeable body parts. "We deal in big things—and what we do will be big." Sold 60% to General Motors 1919 for $28 million cash; rest for $208 million stock 1926. Family once rumored to be worth $3.5 billion but hit hard by Depression. Brothers left key GM spots by 1944; 1984 reorganization ended Fisher division. Founder, all but one widow deceased. Last family gathering circa 1975. Wealth hidden, diversified, much in trusts; shared by over 200 descendants, 25 in control. Most visible: Charles III, chairman NBD Bancorp. Total family fortune believed to exceed $300 million.

Fisher (Seattle)

Seattle and environs. Oliver David Fisher balanced cash at father's Missouri bank 1855 at age 10. Moved west with father, 4 brothers early 1900s. Started Seattle lumber firm to profit from San Francisco earthquake; with family, others, bought Seattle bank; organized Fisher Flouring Mills 1910; helped found Safeco; radio station 1926; merged lumber firm with Weyerhaeuser 1948. Leading Northwest capitalist (d. 1967). Grandson Donald Graham Jr., 62, in charge: 2 TV stations, 1 radio; flour mill; commercial real estate Seattle; Safeco, Weyerhaeuser stock. Handful control umbrella firm, but over 60 scattered heirs share fortune worth minimum $300 million.

Galbreath

Columbus, Ohio. Father and son. John, 88, son of Ohio farmer, began as real estate broker, ruined by Depression; recovered by arranging sales of foreclosed property. Hit on "package deals": Find tenant, builder, take building blueprint to bank for full financing. Playing polo spurred purchase 110-acre Ohio farm. Darby Dan Farm now 4,300 acres, one of horsing's finest: some 30 homes, racetrack with starting gate, runway and hangar, 120-acre game preserve. Friend of, co-owner baseball Pirates with late Bing Crosby. Daniel, 57, heir to real estate empire: over 1 million sq. ft. valuable office space, interests in millions more. Firm manages 18 million sq. ft.; developed 13,000-unit, 35-acre Hong Kong housing project. Recently sold remaining 52% Pirates. With farm, other interests, their net worth about $300 million.

Garvey

Wichita, et al. Ray Hugh Garvey bought half of tiny Kendall Land Co. 1917 for $500 earned from Topeka paper route. Ended partnership early 1920s with 12,500 farmable acres. Bought small gas station chain 1924; acquired banks, foreclosed farms during Depression. Added oil, grain, real estate, etc. Empire split among 4 children after death in 1959 car crash. Run as distinct entities by Willard, 65; James, 62; Olivia Lincoln, 59; Ruth Fink, 68. Widow Olive, 92, family matriarch, pillar of Wichita, runs one of state's largest foundations; writer and poet. "I gather everything I can—things I see and people I talk to—to write." Family holdings extensive: oil and gas, minerals, ranches, farms, grain trading, flour, convenience stores, shopping centers, nursing homes, office buildings, etc. Though land prices depressed, still believed worth $400 million or more.

Gottwald

Ethyl Corp. Richmond, Va., et al. Floyd Gottwald (d. 1982) joined Albemarle Paper Manufacturing Co. 1918 as office clerk, rose to president 1941. Made blotter-paper. Stunned Wall Street 1962 when incurred huge debt to buy much larger Ethyl Corp. (made gasoline antiknock compound TEL) from General Motors and Standard Oil of N.J. Sold Albemarle 1968 ($55 million) but profitably expanded into plastics, metals. Succeeded by sons Floyd Jr., 63, now chairman; Bruce, 51, president. Bought First Colony Life Insurance 1982 ($270 million). Federal lead content legislation killed TEL sales; closed last U.S.

plant 1985. Otherwise company very strong; $1.7 billion sales. Family holds 17.8% worth $260 million.

Gund

Origin: Cleveland. 6 children of George Gund Jr. (d. 1966). He liquidated family brewing company in Prohibition; bought Kaffee Hag (decaffeinated coffee firm) 1919, sold to Kellogg 1927—now Sanka at General Foods. Bought Cleveland real estate, undervalued securities in Depression. President of Cleveland Trust 1941. Tightfisted. Son Gordon: "We did not know the extent of our wealth until his death." Four sons, 2 daughters, include George III, Sun Valley, Idaho and San Francisco financier; Gordon, Princeton, N.J. venture capitalist; Graham, award-winning Boston architect, developer. He and sister Agnes Saalfield (NYC) major modern art collectors. George and Gordon own Cleveland (basketball) Cavaliers, Minnesota (hockey) North Stars, arenas. With Kellogg, bank stock, other holdings, family worth far more than $500 million.

Haas

San Francisco. Bavarian immigrant peddler Levi Strauss drawn to Calif. gold rush 1850s. Offered patented blue jeans 1873; prospered. Walter Haas Sr. married grandniece, ran firm 1928-1955. Sales $22 million 1950, passed $1 billion 1975, $2.5 billion 1984. Grandson Robert now CEO: "Everything happened so quickly. I don't think anybody here believed it was real." Now world's largest apparel manufacturer. One quarter U.S. jean market, but, in response to fading sales, diversifying to non-Levi's: Oxxford suits, Perry Ellis America, etc. Company typically contributes about 2% of pretax profits to social programs. As a gift, executive committee chairman Walter Jr. recently provided his baseball team, Oakland A's, with $6.75 million in Levi shares to subsidize operating expenses. In August family brought company private in $2 billion leveraged buyout. Substantial debt, but remaining equity worth over $775 million.

Hillenbrand

Batesville, Ind., et al. Descendants John Hillenbrand, son of German immigrant farmer and woodsman. Seeing abundant local hardwood, John founded lumber company 1884, sold early 1900s to specialize in casketmaking. Started numerous local businesses (hotel, newspaper, bank, etc.). He "wasn't above the law or below the law, he was the law." Passed casket business on to 4 sons (1 deceased, 2 retired). Youngest, Daniel A., 61, now chmn. and CEO. His nephew, W. August, 44, president. Company went mass market, pioneering regional distribution centers, sealing mechanism for metal caskets. Started hospital furniture business 1928, acquired American Tourister 1978, Medeco Security Locks 1984. All except Tourister are market leaders. (Total 1984 sales: $485 million.) Grandson John lost bid for governor 1980. Over 100 relatives share 62% Hillenbrand Industries, recently worth $315 million.

Hoiles

Santa Ana and Marysville, Calif., et al. Two surviving children (of 4) and grandchildren of Raymond C. Hoiles, small Ohio man ("he looked like a thumbtack") who started buying newspapers 1920s; bought *Santa Ana Register* 1935. Unwavering libertarian editorials: opposed taxation, government services like schools and libraries, labor unions, etc. Control passed to 3 children after RC's death 1970. Brothers Harry and Clarence copublishers. Clarence died 1981. Harry, 69, ousted from management 1982 by sister Jane and her husband, Robert, who is now president. Harry suing to dissolve and distribute assets, despite philosophical opposition to court system: "My father would have been on my side." Today Freedom Newspapers 29 daily papers, still libertarian (flagship: *Register*) and 4 TV stations. Each branch controls 33% of company conservatively worth $450 million or more; other branches have rejected Harry's $920 million buyout offer: "It's not for sale."

Houghton

Corning, NY. Amory Houghton started glassware company 1851, moved from Mass. to Corning 1868. His Corning Glass, consistently innovative products: first light bulbs for Thomas Edison 1879, TV tubes, Fiberglas, silicones, fiber optics. "Pour sand in at one end of the line and take out money at the other." Acquired Steuben Glass to be "as swank as could be." Light bulbs gone 1982, now new ventures biotechnology, diagnostic equipment. Fourth generation Amory (d. 1981) chmn. 1941-61; ambassador to France 1957-61. Collection of glass paperweights in Corning Museum. Son James R., 50, now chairman. Family controls 15% company, worth over $300 million.

Kelley

Honolulu. Young California architect Roy Cecil Kelley needed work and arrived Hawaii 1929 with $105 and a vision: Saw island's potential as middle-class tourist trap, not just for the rich. Built homes; watched Pearl Harbor bombing from own roof. Built first hotel 1951, later huge chain, with high occupancy, low rates, no grandeur. "Our whole attitude is utilitarian." Feisty, colorful, sometimes hissed by Hawaiian elite for "raping Paradise" for bourgeoisie. The "Wizard of Waikiki" now retired at

80, but said to dabble daily with $70 million stock-bond portfolio. Outrigger chain now 20 local hotels (6,300 rooms, second in Hawaii only to Sheraton), run by Harvard-trained pathologist son, Richard; third generation also active. High margins, little debt. Family worth well over $250 million.

Kennedy

Origin: Boston. Joseph P. Kennedy, stock speculator, who made fortune, then as first head of SEC outlawed his own tactics; sold stock holdings just before crash after shoeshine boy's tip, later shorted for huge gains. Left market to be ambassador to England. Later made money in oil, gas, real estate, and liquor (d. 1969). Rumored to be personally worth $400 million to $500 million. Trusts held by widow Rose, 95, and surviving 5 of 9 children, including Senator Edward. Holdings include Merchandise Mart (Chicago). Also 28 grandchildren, 7 great-grandchildren. Many of grandchildren work with disadvantaged. "The fathers had a sense of unlimited dynastic possibilities, but the kids have seen assassination and viciousness." Family fortune is estimated at $550 million.

Kleberg

King Ranch, Tex. Richard King, Rio Grande steamboat captain, bought Spanish land grants south Texas 1850s. Robert Kleberg beat him in a lawsuit, then married his daughter, ran lands. Bob Jr. (d. 1974) gave exclusive drilling rights to Exxon (then Humble) 1930s to raise cash. Annual royalties now estimated over $100 million. Supports vast cattle, farming on 823,000-acre King Ranch; larger than Rhode Island. Lease over 1 million acres Australia. Klebergs grew up cowboys, not oilmen. Bob Jr.: "Cattle-raising is our business, and it will be our business long after the oil is gone." Some 60 heirs own, operate. On Bob Jr.'s death, family chose as CEO James Clement, outsider, eastern in-law, "a businessman rather than a rancher." Family worth over $750 million, excluding Robert Shelton and Belton Johnson *(which see)*.

Laird

Delaware. 5 children of Mary Alletta du Pont (d. 1938) and William Windner Laird (d. 1927) and grandchildren. Mary was a sister of Pierre S. du Pont *(see various du Ponts, family)*; children shared in uncle's 1940s fortune distribution. William founded family brokerage firm, Laird, Bissel & Meads. Son William Jr. (Chick) served on board Du Pont Co. Combined fortune probably exceeds $400 million.

Landegger

NYC, London, et al. Karl F. Landegger, industrialist who bought rundown Austrian paper mill 1920s, fled from Hitler; to U.S. 1940. Bought small pulp trading firm Parsons & Whittemore; now one of world's leading builders pulp, paper mills (66, mostly Third World and Communist countries). Also Black Clawson (paper machinery). Wholly owned by 2 sons since father's death 1976. Son Carl, 55, heads domestic operations. Runs marathons, digs for Inca relics, solo treks in Amazon. George, 48, handles overseas business; plays tennis. Despite flat U.S. pulp market, mills running at capacity; "We're still losing our shirts." Revenues, "As the banks so nicely put it . . . in the middle 9 figures." Much debt; brothers share fortune of at least $250 million.

Lawrence

NYC area. Sylvan Lawrence (d. 1981) quit college to work for uncle as office boy, night watchman for $20 a week. After WWII, started commercial real estate brokerage business with brother Seymour Cohn *(which see)*. Starting with small midtown loft building, holdings grew into one of largest portfolios of Wall St. area properties; mostly unglamorous. Heirs, including wife and 3 children, still have substantial interest in Sylvan Lawrence Co., worth at least $275 million. One son active in firm, but properties managed by Cohn and nonfamily members.

Lilly

Indianapolis, et al. Newly discharged Civil War Colonel Eli Lilly suffered disastrous stint as Miss. Cotton farmer, returned to native Indianapolis. Began Eli Lilly & Co. (1876) in plant "hardly big enough to swing a cat in." Drug concern racked up increasingly healthy sales. Eli succeeded by son Josiah K. Sr. who frequently stated "loyalty is always reciprocal." Internally, company pioneered industrial relations; externally, marketed first commercial insulin for diabetes 1920s, Salk vaccine 1950s. In 1970s hounded by suits, probes over DES, Darvon, Oraflex. Family immensely charitable. Established Lilly Endowment 1937, now worth $1.1 billion, holds 17.5% of company's stock. Eli (d. 1977) left $180 million fortune to charities (¼ to 3 local Episcopal churches). Two great-grandchildren, up to 10 other heirs, held 10% as late as 1976; avoid press. If still held, shares worth more than $620 million.

Lykes

Origin: Florida. Descendants of Dr. Howell Tyson Lykes; settled in Florida 1870s, acquired land, made fortune raising and shipping cattle to Cuba. To Tampa 1895, branched out with 8 children to other regions, shipping; died 1906. Family later expanded Lykes Corp. into insurance, banks, real estate, citrus; steel 1960s. Merged with LTV Corp. 1978. Steamship line bought back by family 1982; run from

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New Orleans. Today own 400,000 acres Florida, including 60% of Glades County; 240,000 acres Texas. Lost Cuban acreage in Castro takeover. Over 200 family members meet annually in Tampa, quietly govern empire worth at least $1.1 billion, not equally divided. Observer: "There are some rich Lykes and some poor Lykes. I'd like to be a poor one."

Mack

NYC and Great Neck, NY. Russian immigrant Philip Mack began construction/demolition company around turn of century. Son, H. Bert (now 76), with 3 of 4 sons, created new integrated Mack Co. 1964. Plans, builds, manages property mostly in suburban N.J.; Long Island; Tampa, Fla. Built N.J. Meadowlands industrial sites 1960s; office developments 1970s (tenants incl. AT&T, IBM, Xerox). Has 85% equity in 5 million sq. ft. office space, 11 million sq. ft industrial space. Building new office (mostly speculative), buying industrial. Planning Tampa convention center; also huge office project in Jersey City. Lost bid 1984 to move Minnesota Twins (baseball) to Tampa, trying for expansion franchise. Family net worth probably $250 million or more.

Mandel

Shaker Heights and Lyndhurst, Ohio. Premier Industrial Corp. Three brothers pooled $900 to buy uncle's auto-parts shop 1940. Found dull but lucrative niche supplying nuts and bolts, arcane auto, electronic parts to low-volume, high-paying customers. Jack, 73, and Joseph, 71, handled marketing, sales; Morton, 64, management. Went public 1960. Bought Newark Electronics, parts distributor, for over $20 million 1968, dropped high-volume, low-profit lines; publishes comprehensive 800-page catalog electronic components, maintenance, firefighting equipment. Mort, chairman: "We see ourselves as a pretty small big company." Jack, Joseph directors. Civic-minded, charitable. Brothers share 60% Premier, plus outside holdings worth over $260 million.

Marriott

Washington, D.C. John (J.) Willard Marriott put self through college selling woolen underwear. On

Mormon mission to East Coast, sweltering Washington, D.C. heat prompted investment: small root beer stand. Added Mexican food wife Alice cooked at home. Opened chain; first hotel 1957. John remained chmn. until death in Aug. Alice vp; 2 sons in charge. J. Willard Jr. CEO, brother Richard heads restaurants. Firm now 143 hotels, 2 million meals a day from fast-food outlets (Roy Rogers, Bob's Big Boy), plus inflight airline catering (pioneered 1937); total 1984 sales $3.5 billion. Each operation controlled in detail: "The more the system works like the Army . . . the better." Unions discouraged by high compensation, advancement opportunities. Family tithes to Mormon church; its 22% Marriott Corp. worth $530 million.

McClatchy

Sacramento, Calif., et al. Descendants of Irish immigrant James McClatchy, reporter for new *Sacramento Bee* 1857; eventually bought by family. Today McClatchy Newspapers owns 3 *Bees* (Fresno, Modesto; flagship: Sacramento), plus 7 smaller papers (total circulation: over 520,000); also cable TV, 4 radio stations. Granddaughter Eleanor took over 1936; shunned publicity: "I am content to have people think I live in a cave and wear horns." Used newspapers for political purposes; became one of the West's most powerful women (d. 1980). Nephews Charles Kenney and James (58, 64) now in charge; liberals, not known as political force. Bought ailing *Anchorage Daily News* 1979; turned it around. Charles controls; fewer than 15 family members share ownership of firm worth at least $375 million.

McDonnell

St. Louis. Family of James S. McDonnell. Initial attempts late 1920s to develop planes failed; "Big Mac" became test pilot, roving engineer. Founded McDonnell Aircraft Corp. 1939. After 1 year, no orders, no sales, subcontracted to make spare parts. Success came post-WWII: jet engine forced U.S. to rebuild world's largest Air Force. Thrifty, precise (company legend: once used slide rule to determine how much whiskey should go into Christmas party punch). Daily messages over p.a. began "This is Mac calling the team." Produced first aircraft carrier compatible jets and space capsules for U.S. Now nation's largest military contractor. Merged with passenger plane producer Douglas Aircraft 1967 to form McDonnell Douglas Corp.; commercial division largely unprofitable. James died 1980; son now pres., nephew CEO. Family controls 15% of firm. Excluding foundation, net worth over $260 million.

McGraw

NYC area, et al. James Herbert McGraw, penniless schoolteacher and part-time magazine salesman, turned unpaid commissions, loan into equity in failing railroad magazine 1880s. Started numerous technology-oriented trade publications that maintained editorial independence: A magazine "can't scratch backs to get advertising, it has to point out the problems." By late 1920s 20 magazines, book publishing co. Now McGraw-Hill, more than 60 magazines (incl. *Business Week*); also Standard & Poor's, 4 TV stations, nearly 20 news services, technical and trade books, software, etc. 1984 revenues $1.4 billion. Five McGraws have led company. Harold Jr., 67, third generation, now chairman. About 30 scattered descendants share roughly 20%, worth $450 million.

Mott

Widow and descendants of Charles Stewart, whose grandfather began Mott's Apple Juice (family stake long since sold). Charles joined another family firm producing wheels and axles. Sold out to GM early 1900s, paid entirely in stock, reputedly never sold a share. As GM vp ran Detroit end 1917-1937. Also chmn. U.S. Sugar Corp. Three times mayor of Flint, gave huge sums to town. "One wonders why they didn't just rename the city Mott." Fourth wife, Ruth Rawlings, 84, a distant cousin. Six children (5 survive), last sired age 67. In 1963 gave $195 million in stock to Charles Stewart Mott Foundation. Died 1973. Son Stewart "professional philanthropist." "I spend on myself what I think I could have earned, and after taxes, I give everything else away. That's how I make peace with my conscience." Family stake in GM, U.S. Sugar (including sales), Continental Water alone worth over $380 million.

Nordstrom

Seattle. John W. Nordstrom, arrived Ellis Island 1888 speaking only Swedish. Logged and mined his way westward, made $13,000 in 1896 Klondike Gold Rush. Opened Wallin and Nordstrom Shoes, Seattle 1901. Bought out Wallin 1929, turned over to 3 sons. Largest independent U.S. shoe chain 1963, diversified, went public 1973, now specialty retailers, sales over $983 million. All employees start down on sales floor. Now upstairs, third generation Bruce, James and John run 41 stores. Harvard retailer professor: "The management possesses a unique charismatic quality that filters down. They also work like hell." Also 51% Seattle (football) Seahawks. Some 25 relatives share 47% Nordstrom, Inc. Stock, other interests worth over $420 million.

O'Connor

Victoria, Tex. Descendants of Thomas O'Connor (d. 1887), who built 500,000-acre, 100,000-head

They say there's no easy way to move California oil to Texas refineries. But Goodyear said, "Let's break new ground." And through its oil and gas group, Celeron, arranged to build an oil pipeline that'll run 1700 miles and move the oil at lower cost than any other way.

They say you can still train pilots in a flight trainer that teaches only instrument flying. But Goodyear said, "Obsolete," and helped create a new flight simulator that gives pilots the sights as well as the feel and sound of flying. And with computerized projectors that react to a pilot's every move, the sky is the limit.

ranching empire in south Texas. Family land includes part of famous Tom O'Connor oil field, one of the most productive in Texas. Many scattered descendants share huge oil royalties, but run vast operations separately. "It remains first and foremost a ranching family." Branched into banking to have a place to deposit their own money. Among most private people in the state. Most visible is Tom O'Connor Jr., 70-year-old great-grandson, chairman Victoria Bankshares, 20-bank chain on Texas Gulf Coast. Brother Dennis, former chairman, is also on board. Family is believed to be worth at least $750 million.

Ordway

Origin: St. Paul. Minnesota Mining & Manufacturing Co. (3M). Legend: in late 1904, 2 shares = 1 shot cheap whiskey. Lucius Pond Ordway, plumbing supply executive, saved 3M in 1905 by paying its debts. Sandpaper (company's main product) mushy in humid Duluth, moved company to drier St. Paul. Now $7.7 billion sales industrial giant; maker adhesives, abrasives, office equipment, etc. *(See also Virginia McKnight Binger.)* Grandson John G. (Smokey) Ordway is now the last family tie (director). Cofounded Minnesota (hockey) North Stars. He and socialite sister Sally Ordway Irvine built Ordway Music Theater in St. Paul in 1984. Other family members are scattered. Ordway trust (7% of 3M) was worth over $400 million when it was distributed in 1979 to more than 50 descendants.

Pew

Origin: Philadelphia. Joseph Newton Pew Sr. founded Sun Oil Co. 1886; developed early techniques to capture natural gas, pipe it; bought big into legendary Spindletop, Tex. oil strike 1901; died 1912, at his desk. Son J. Howard president 1912-47, last Pew to run firm, came back as chairman 1963-69. Family now far-flung. Great-grandson Andy, 49, president of Sun subsidiary, last Pew in management. Family still has control, but "it's not a tight-knit organization with an 'el supremo' telling it what to do." Over 400 members share fortune of some $325 million of Sun Co. stock. Does not include charitable trusts worth $1.8 billion that vote 27% of Sun.

Phipps

Origin: Pittsburgh. Henry Phipps (1839-1930), son of Philadelphia cobbler, grew up with neighbor Andrew Carnegie in Allegheny, Pa. Became partners, pioneered "Bessemer" process of manufacturing steel. When Carnegie sold out to J.P. Morgan 1901, Phipps got $50 million, choosing stock when Carnegie chose bonds. Set up Bessemer Trust 1907, split among 5 children. Now in 5th generation with some 200 members mainly in NY and Fla. Family dissension over management of trusts; some litigation. Assets now include $1 billion securities portfolio, plus real estate, shipping and energy interests for total family fortune estimated at $1.8 billion *(including Howard Phipps Jr. and Anne Phipps Sidamon-Eristoff, which see).*

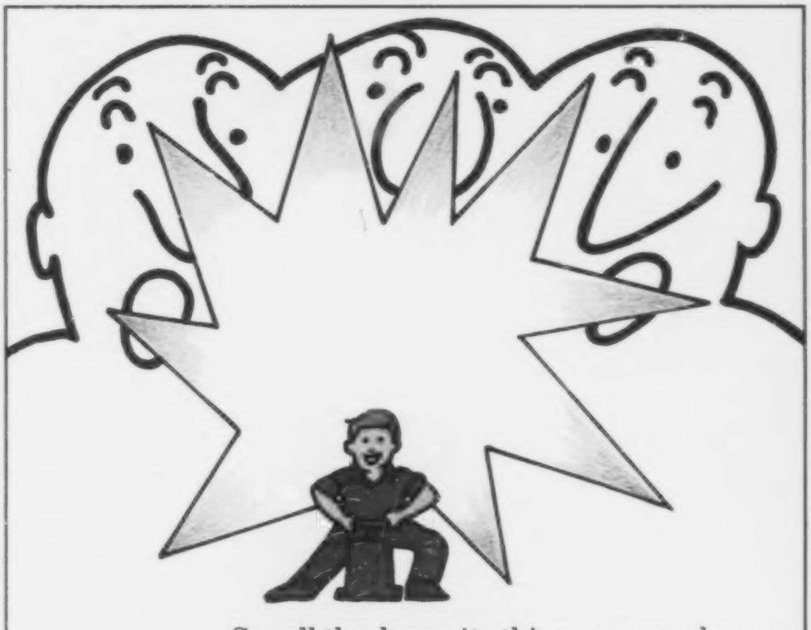
Pigott

Seattle. Descendants of William Pigott Sr., maker of railcars, logging equipment early 1900s; founded Pacific Car & Foundry. Sold 1924; sons Paul, William rebought 1934; expanded: built tanks, tugs WWII; then heavy-duty trucks (Kenworth, Peterbilt). Now $2 billion (sales) Paccar, Inc., a leading truckmaker with some 20% U.S. market; 14 factories in 5 countries. Suffers least from recession: all trucks custom-built, high quality, high price. Paul's son, Charles, 56, current president: "We just want to be the best, the most profitable." Over 20 Pigotts believed to hold at least one-third Paccar stock. With real estate, lumber prod., timberlands, family's net worth exceeds $300 million.

Pitcairn

Bryn Athyn, Pa., et al. John Pitcairn, devout Scottish immigrant, former telegrapher from Penn Railroad, founded glassmaking plant beside Allegheny River 1883. Squabble between partners yielded 2 companies, Pitcairn's PPG Industries and rival Libbey-Owens-Ford. John began adding chemicals (d. 1916). Heirs kept equity interest (now 14% stock) in company, hired others to manage (last Pitcairn in management retired 1935). John helped found Swedenborgian church in Bryn Athyn, son Raymond designed cathedral, son Theodore pastor to 1962; son Harold developed autogyro 1920s (d.

They say you have to change marketing strategy at every foreign border. But Goodyear said, "Now hear this!" And reorganized to market and advertise on a global basis and communicate in the universal language of quality and performance.



See all the dynamite things you can do when you don't listen to what "they" say.

GOODYEAR

© 1985 The Goodyear Tire & Rubber Company

1960). Today, 18 grandchildren, over 230 other descendants share in family holding firm, Pitcairn Co. (owns 14% PPG), worth over $500 million.

Pulitzer

St. Louis and scattered. Descendants of Joseph Pulitzer (1847-1911), Hungarian immigrant, sometime politician, bought bankrupt *Post-Dispatch* 1878, stressed muckraking: "The crusade was simply the Pulitzer personality in print." Bought *New York World*; became leading U.S. paper, now defunct. With W.R. Hearst, put "yellow journalism" in the language with the Spanish-American War. Founded first journalism grad school, Columbia 1903; later, established Pulitzer Prizes. Pulitzer Publishing now 2 daily papers (St. Louis, Tucson), 7 TV stations, 2 radio. Recently bought chain of suburban Chicago weeklies. Company run by grandson Joseph Jr., 72. Grandson Peter shook Palm Beach with mucky divorce 1982. Heirs worth minimum $475 million.

Reed

Seattle, et al. Descendants of Sol G. Simpson, who cofounded Simpson Timber predecessor 1890. Grandson William Reed Sr., now 77, began aggressive expansion of "sleepy lumber co." after WWII; added papermaking 1951. Firm emerged 1980 as "mystery buyer" of nearly 9% Diamond Intl.; sold for gain 1981. Family in fourth generation; William Jr., 46, has run company since 1951; over 90% still tightly held. Simpson recently buying out minority investors for over $75,000 per share. Fewer than 50 family members share company, understated timber holdings they value at $300 million or more.

Resnick

NYC and Rye, NY. Jack, 78, started as small Bronx builder 1928, moved to Manhattan 1950s; bought, held properties. Still runs company; active Jewish charities. Son Burton, 48, chief operating officer Jack Resnick & Sons, Inc. Own 5 million square feet NYC office space, thousands of apartments. Recently completed 35-story office building in South Street Seaport. Planning another downtown office, building condos/office tower midtown. Built, sold Florida condos since 1968. Private, reserved: "A public company deals with other people's money. We deal with our own." And their partners', principally Belfers' (*which see*). Share net worth exceeding $250 million.

Richardson

N. Carolina, Connecticut, et al. Lunsford Richardson sank life savings ($8,000) into small Greensboro, N.C. pharmacy; O. Henry clerked. Sold 1907 to finance creation: Vicks Vaporub (named for Lunsford's brother-in-law). "I dreamed dreams of a worldwide business." Son H. Smith Sr. (d. 1972) principal builder Vicks Chemical; prospered in post-WWI flu epidemic. As Richardson-Merrell Inc. (Cepacol, Bendectin), sold to Dow Chemical 1981; family got $80 million stock, created Richardson-Vicks (Clearasil, NyQuil). Wealth in 5 branches; some 150 members, 5 at business core. Family keeps in touch through newsletter. Family accepted recent merger offer from Procter & Gamble at big profit. Also 50% Piedmont Management, other stocks, real estate. Worth minimum $550 million.

Family of Nelson Rockefeller

Children and grandchildren of Nelson Rockefeller (1908-1979), 4-term governor of New York, Vice President under Gerald Ford, grandson of John Davison Rockefeller, world's first oil monopolist and billionaire. "Rocky" left 4 surviving children by first marriage (son Michael died on archaeological expedition New Guinea 1961): 2 by 2nd marriage to Margaretta (Happy) Fitler Murphy. First family: Rodman Clark, 53, lives NYC. Divorced, remarried; 4 children by first marriage. After Dartmouth, joined father's agribusiness firm, International Basic Economy Corp. (now chairman); venture capital, real estate cos. Ann Clark Rockefeller Roberts (Mrs. T George Harris), 51, lives in Greenwich, Conn. Divorced, remarried; 4 children, 4 stepchildren. Did social work in London's East End, Bronx, studied landscape design. Steven Clark, 49, Middlebury, Vt., divorced twice, remarried; 3 children by first marriage, 1 by second. Princeton grad, joined Army, shocked family by marrying the Norwegian maid, worked briefly for Rockefeller Center. Quit, entered Union Theological Seminary, divorced maid, became theology professor. Now dean of Middlebury College. Mary Clark (Mrs. Thomas B. Morgan), NYC, 47. Divorced, remarried; 3 children by first marriage. Helped establish public health project on Navajo Indian reservation late 1950s. Once taught communications graphics; now serves on board Met. Museum of Art. The two sons by second marriage now adults: Nelson Aldrich, Jr., 21; Mark Fitler, 18. All heirs benefit from trusts, etc. worth estimated $770 million.

Heirs of William Rockefeller

Greenwich, Conn., NYC and various. Some 75 descendants of William Rockefeller (1841-1922), genial brother of John D. and cofounder of Standard Oil. Ran Standard Oil of NY (now Mobil) until Supreme Court dissolution 1911. Parlayed his 12.5% of "Trust" into corporate directorships and stock, became Wall St. speculator. Two sons married daughters of James Stillman, head of National City Bank of NY (now Citicorp and family's headquarters). One of *their* sons married a niece of Andrew Carnegie. Two daughters married into other fortunes: McAlpin, Dodge. Much Greenwich land, conservatively managed stocks. Some assets managed by family's Indian Rock Corp. (NYC) run by great-grandson Andrew Carnegie Rockefeller, 56. Heirs share over $300 million, mostly in trusts. Fortune not keeping pace with family growth. Andrew: "They seem to be multiplying pretty fast." *(See also other Rockefellers, descendants John D.)*

Rose

NYC. Rose Associates, one of NYC's oldest, largest investment builders of apartments. David, 93, began in Bronx 1920s, later switched to more profitable Manhattan. Now 3 nephews (Frederick, Daniel, Elihu), all brothers and Yale grads, in charge. Own and/or manage vast residential/commercial properties Manhattan, Boston, Washington, D.C. (Pentagon City); many with institutional partners. Planning $250 million, 26-acre downtown Brooklyn redevelopment. Keep low profile. "They're not flamboyant, they're responsible." Deny substantial equity in own properties, but knowledgeable peers say otherwise. Estimated net worth: exceeds $250 million.

Rosenwald

Philadelphia area, NYC, et al. Julius Rosenwald (d. 1932), mail-order pioneer, bought out Alvah Roebuck (1895) and Richard Sears (1908). His idea: suburban, rural retailing. Firm now largest general merchandise retailer (over $39 billion sales). Family said to hold much well-hidden stock plus other investments. Son Lessing (d. 1979), former Sears chairman, owned a world-leading art and print collection. Daughter Edith Stern (d. 1980) fought racism in South. Son William, 82 (first president United Jewish Appeal), now believed richest member, over 90% American Securities Corp.; controls Ametek. Grandson Philip Stern wrote two books exposing tax dodges; now fights PACs. 92 family members last convened 1983; 50th anniversary Museum of Science & Industry ("Rosenwald Museum," Julius founded 1926), Chicago. Their private wealth should far exceed $300 million.

Roush

Origin: Akron. Galen J. Roush, lawyer, joined younger brother Carroll in small trucking business during Depression. Careful records helped Roadway Express secure key routes early 1950s. Galen extremely private: "A whale would never be harpooned if he didn't swim to the surface." Carroll extrovert. Prosperity caused rift; for spite Carroll sold interest 1956 to public, went west to start own trucker. Meanwhile, Roadway prospers, now one of biggest freight truckers; revenues $1.5 billion. Galen died 1976; interest from estate covers budget expenses of his hometown. 2 children (directors), 2 stepchildren live Bellevue, Wash., share at least 17% Roadway, worth over $220 million. Carroll's (d. 1982) Rocor Intl. (trucking, et al.) run by son David, trucking revenues about $30 million. Assets both branches worth over $260 million.

Schnitzer

Portland, Ore.; Palm Springs. 4 surviving sons of Samuel Schnitzer, Russian-born junkman who (with Harry Wolf) founded Alaska Junk Co. 1905; later, Oregon Steel Mills. Sons took over; expanded: fared well dealing scrap after WWII. Bought out Wolfs amid bitterness 1958. Scrap group one of country's largest (60,000 tons per month). Recently bought Cascade Steel for over $37 million. Son Leonard, 60, heads Schnitzer Group: steel products, Lasco Shipping (18 Liberian carriers), cold storage. Also much real estate Portland, Seattle, San Francisco area, Guam. Son Harold, 62, quit 1950 to form Harsh Investments (real estate). Charitable, private; all shun high debt. Insider: "I don't think they've seen a bank in 10 years." Wealth exceeds $250 million, denied by them.

Scripps (E.W.)

Origin: Cincinnati. Populist Edward Wyllis Scripps (1854-1926) launched *Cleveland Press* 1878; grew into once-largest U.S. chain. Family feuds led to E.W.'s early break from half-brother James *(see below)*, who formed own firm. Children of E.W. also split: 1 grandson runs separate chain *(see Edward Wyllis Scripps)*, 6 other grandchildren and their offspring own some 88% E.W. Scripps Co. (private), 80% Scripps-Howard Broadcasting (traded). Latter run by minority Howard family; mostly evening papers. Sold moneylosing *Press* 1980, UPI wire service 1982. Now 13 dailies (circ. 1.4 million), etc.; nonfamily CEO turning business around. This scattered branch (over 40) probably worth $1 billion altogether. Trust dissolves after deaths of 4 eldest grandchildren.

Scripps (J.E.)

Detroit area; La Jolla, Calif., et al. James Edmund Scripps (1835-1906), English immigrant, arrived Illinois 1844. Conceived "people's press": short, simple stories for working class; radical departure from flowery, elitist papers of his time. Started *Detroit* (evening) *News* 1873: borrowed much; had family sell farm. Big success; used formula elsewhere. Bitter split with half-brother E.W. *(see above)* early 1900s. Evening News Association, run by great-grandson Peter Bruce Clark (9 papers, 5 TV stations, 2 radio), being sold to Gannett for $717 million. Over 50 Scripps descendants share fortune.

Scully

Dwight and Buffalo, Ill.; Beatrice, Nebr. Descendants of "Lord" William Scully, moneyed Irish immigrant who traveled through Midwest mid-1800s with small spade to sample soil quality. Accumulated high-quality, low-cost land. By late 1800s amassed 225,000 acres rich farmland ("Scullyland") Ill., Kans., Nebr., Mo.; also La. swampland with oil. Absentee landlordism widely denounced by papers: leased to hundreds of tenant farmers; responsible for own improvements. "It will fit him for owning his own home on his own farm." Estate divided between 2 sons after death 1906. Now run by 4 grandsons and their children; still manage over 200,000 acres. Despite falling farmland values, family worth still believed at least $250 million.

Shapiro

Origin: Boston. 4 Russian immigrant brothers developed baking machine and started ice cream cone company (1911). Moved to Baltimore to take advantage of warm weather, year-round ice cream sales. Sugar cones fragile when shipped; set up numerous units nationwide, each headed by family member. Invented plastic ice cream containers ca. 1957. Major innovations: accommodated banana splits, sundae cups' tapered bottoms minimized syrup expenditure. As Maryland Cup, producer of cups, packages, etc., became world's largest manufacturer paper and plastic containers. "We focused on having long-term goals and a happy work force." Sold to Fort Howard Paper Co. 1983. Family's 50%-plus of firm, shared by 70 members, brought over $240 million aftertax. Most still invested in Fort Howard, believed worth at least $350 million.

Smith

Origin: Chicago. Banker Byron Smith (Northern Trust Co.) placed ad offering to bankroll a manufacturer 1911. Two Swedish brothers convinced Smith of need for precision cutting tools. Founded Illinois Tool Works. Turning point 1924: invention of first lock washer; moved company into mass production of little products. Now tool sales eclipsed by fasteners, bolts and lug nuts: many items sell for under a penny. Also, introduced plastic six-pack carrier for beer, soda cans early 1960s, market share still said to exceed 50%. Harold, 52, 3rd generation, chairs exec. comm. Father Harold Sr., 76, his cousin Edward, 76, both directors. Three control family's 27% ITW, also 15% Northern Trust Corp. Worth exceeds $260 million.

Stroh

Detroit. 18th-century German brewers; young Bernard arrived Detroit 1850 with $150; brewed, delivered door-to-door with wheelbarrow. Stroh Brewery grew slowly; survived Prohibition by making ice cream (still does); lately survived competition by going national. Great-grandson and CEO Peter, 57, persuaded family to buy F&M Schaeffer for some $70 million 1980-81; Schlitz for $500 million (70% financed) 1982. "I knew it was either grow or go." One of nation's largest brewers: over $1.4 billion sales, 10 brands (plus 5 light), 24 million annual bbls. Flagship label: "Fire-brewed" Strohs. Still private, closely held; 4 Strohs at top, but nearly 30 have stock. Counting debt, family worth at least $300 million.

Sulzberger

NYC. Chattanooga newsman Adolph S. Ochs (1858-1935) bought *New York Times* 1896 for $75,000; alternative to era's "yellow journalism" became one of world's most respected newspapers: 54 Pulitzers. Strained during 1950s, 1960s: high labor costs, reader flight to suburbs. Today run by grandson Arthur Ochs (Punch) Sulzberger, 59, who began modernization, diversification 1970s. Paid off: now 35 regional papers, 7 magazines, 3 TV stations, 2 radio, 56 cable franchises, etc. Features sections won back suburbanites late 1970s; 1984 revenues $1.2 billion. Sold Times Books to Random House 1984. Punch, mother Iphigene, 93, preside over trust (ends on her death) that controls New York Times Co. Punch: "This is a family paper." With stock sales, fortune over $450 million.

Temple

Diboll, Tex., et al. Thomas Louis Latane Temple Sr. bought 7,000 acres Texas timber 1893. Son Arthur inherited 200,000 acres and debt-ridden company 1934. By 1973 half-million acres, earning $9.6 million a year, debt 28% of capital, run by grandson Arthur Jr. from 1951. Merged with Time Inc. 1973; Wall Street shaken by family's 15% control, feared Time moving to Diboll; stock tanked. Family press-shy: "What this country needs is freedom from the press." Time spun off Temple-Inland 1984; Arthur, 65, now chairman T-I; also runs family investment company. "Most powerful man in east Texas." Diversifying investments. Son Arthur "Buddy" III heads Texas Railroad Commission. Five family branches own substantial stake Time Inc., 13% T-I, other investments; should be worth well over $550 million.

Uihlein

Milwaukee, et al. Descendants of 4 Uihlein brothers. August left Germany for U.S. 1850, worked in uncle's brewery, named Schlitz after bookkeeper who married into family. Uihleins took reins 1875 after Schlitz drowned childless in shipwreck. Family members ran company through 1977; shareholder meetings were family reunions, sometimes feuds. Hard work gained company top market share until late 1950s. Office rule: No executive could work past 1 p.m. on Sundays. Trouble in mid-1970s: cheaper processing and sweetened formula soured sales; fined for paying off tavern owners. Chairman Robert Uihlein died suddenly 1976 without a groomed successor. Company sold to Stroh Brewery 1982. Some 450 descendants tendered nearly 20 million shares for almost $350 million.

Upjohn

Kalamazoo, Mich. Descendants of Drs. Henry and William Erastus Upjohn. Their 2 brothers and sister also doctors. W.E., working in attic, developed first readily dissolvable pill. Founded Upjohn Pill and Granule Co. 1886. Milestone: invented first pleasant-tasting laxative (mint flavor) 1906, by 1924 Phenolax 21% of sales. Started research and development lab 1914, oral digitalis tablet for heart therapy 1919, later antibiotics. Hastened penicillin production WWII. Went public 1958; first outside director 1968. Today's Upjohn Co. (Motrin, Kaopectate, etc.) headed by husbands of founders' granddaughters. Minoxidil, experimental prospect for treating baldness, needs FDA approval. Over 20 descendants share roughly 30% of stock worth over $1 billion.

Weyerhaeuser

St. Paul, Seattle, et al. Frederick (1834-1914) came from Germany at 18. Worked at sawmill; took charge when it went bust 1858. Adopted manifest destiny approach to logging; cut swath from St. Paul to Pacific. Bought 900,000 acres 1900 from RR magnate James J. Hill for $6 an acre: "The only times I ever lost money were when I didn't buy." Cut and run methods outraged Teddy Roosevelt. Company pioneered tree farms 1940s. Today draws backhanded praise from environmentalists: "Best of the S.O.B.s." Owns 46% Mt. St. Helens. Family still owns about 10% Weyerhaeuser; great-grandson George CEO. Also 33% Potlatch, 15% Comshare; banking, private interests. Some 200 members share at least $620 million.

Whittier

Southern California. Descendants of Mericos H. (Max) Whittier, oilman, cofounder Belridge Oil 1911; pres. until death 1925. Sold to Shell Oil 1979 for $3.6 billion, at time largest takeover ever. Family received $675 million; $200 million-plus to taxes, rest to 4 children, grandchildren, et al. Philanthropist Helen Whittier Woodward (d. 1984) gave $3 million to San Diego Zoo for new Asian complex. Max' old 38-room Beverly Hills mansion recently razed after new owner, Sheik Mohammed al-Fassi, painted pea green and adorned with nude statues. Family still holds M.H. Whittier Co. (oil). Net worth estimated at least $600 million.

Wirtz

Chicago. Arthur M. Wirtz (King Arthur to friends) began buying Chicago real estate 1920s. Eye for Depression bargains; loathed mortgages. With grain speculator Jim Norris (d. 1966) acquired string of teams, promoted over 50 championship boxing bouts; sports empire busted in antitrust suit 1957. Arthur died 1983; oldest son William, 55, oversees Wirtz Corp.'s banks, liquor distributorships, real estate, hotel, interests in Chicago (hockey) Black Hawks, (basketball) Bulls. Got wide coverage July criticizing proposal to disallow business deductions for sports tickets on grounds ticket prices would go up. Calls estimated minimum $350 million fortune shared with one brother, two sisters, "absolutely ridiculous."

Wolfe

Columbus, Ohio and Calif. 14 descendants of brothers Robert F. and Harry P., builders of 19th-century fortune based on Wear-U-Well shoes. Diversified into media: bought *Columbus Dispatch* 1905; later, TV and radio stations, investment banking, real estate. Politically influential: considered one of Ohio's most powerful families ("a bastion of Republicanism"). Grandson Edgar was *Dispatch* publisher; died in plane crash 1975. Founders' grandsons John W. and John F. (cousins) current patriarchs, lead family worth at least $300 million. "We're not selling, so who would know?"

Dropouts

No longer among The Forbes Four Hundred

Sixty-four individuals leave The Forbes Four Hundred this year. Of these 64, 7 died, 23 suffered financial reverses, 10 had fortunes that were reallocated within families for various reasons and 6 were removed as a result of further research. The remaining 18 simply had fortunes less substantial or less well substantiated than those who survived the cutoff of $150 million this year.

Died:

Chandler, Harrison Gray. Arcadia, Calif. Estimated $150 million fortune 1984 (Times Mirror Co.). Died June 1, 1985, age 82. Survived by his wife, Martha; 1 daughter and 3 grandchildren. *(See Chandler family; also Ruth von Platen.)*

Cummings, Nathan. NYC. Estimated $160 million fortune 1984 (industrialist). Died of heart failure Feb. 19, 1985, age 88. Survived by 3 children, a sister, 3 brothers and 9 grandchildren.

Frick, Helen Clay. Pittsburgh. Estimated fortune over $150 million 1984. Died Nov. 9, 1984, age 96. Survived by a niece and a nephew. Will leaves much of estate to her Helen Clay Frick Foundation.

Hamon, Jake Louis Jr. Dallas. Estimated $200 million fortune 1984 (oil and gas). Died May 3, 1985, age 82. Survived by wife, Nancy, and daughter. Fortune, significantly reduced by oil price decline, left mostly to wife.

Payson, Charles Shipman. Portland, Me. and Hobe Sound, Fla. Estimated $150 million fortune 1984 (stocks, bonds, land, oil & gas, art). Died May 6, 1985 in Lexington, Ky., age 86. Survived by his wife, Virginia, 4 children and 4 stepchildren.

Dropouts

Shakarian, David B. Pittsburgh, Bal Harbour, Fla. Estimated $250 million fortune 1984 (General Nutrition Corp.). Died of cancer Sept. 11, 1984, age 70. Survived by wife, Lois, a brother, twin daughters, 3 sisters, 5 grandchildren. GNC stock fell sharply, no longer exceeds $150 million.

Woodruff, Robert Winship. Atlanta. Estimated $200 million fortune 1984 (Coca-Cola). Died Mar. 7, 1985, age 95. Survived by brother, George. Most of fortune to be distributed by Robert's Trebor Foundation.

Declined:

Bancroft, Bettina. Los Angeles. 44. Estimated $150 million fortune 1984 (inheritance). With 3 Bancroft siblings *(see below)* shares nearly 19% Dow Jones stock. With stock down 10%, not enough alone to warrant inclusion. *(See family, also Jane Bancroft Cook and siblings William Coburn Cox Jr. and Jane Cox MacElree.)*

Bancroft, Christopher. Denton, Tex. 34. Estimated $150 million fortune 1984 (inheritance). *(See sister Bettina, above.)*

Bancroft, Hugh III. Newport Beach, Calif. 36. Estimated $150 million fortune 1984 (inheritance). *(See sister Bettina, above.)*

Davis, Thomas Cullen. Fort Worth. 51. Estimated $250 million fortune 1984 (oil equipment). Oil service industry slowdown, caused by oil price decline, forced most of Kendavis Industries into Chapter 11 1985. Brothers insist creditors overreacted. Unlikely. *(See brothers, below.)*

Davis, Kenneth William Jr. Fort Worth. 59. Estimated $250 million fortune 1984 (oil equipment). *(See brother Thomas, above.)*

Hanson, John K. Forest City, Iowa. 72. Estimated $200 million fortune 1984. Founder Winnebago Industries; stock decline makes stake worth just $122 million this year.

Hwang, Kyupin Philip. Los Altos Hills, Calif. 48. Estimated $150 million fortune 1984 (TeleVideo Systems stock). Collapse of TeleVideo shares puts his holding under $60 million.

Jobs, Steven Paul. Los Gatos, Calif. 30. Estimated $210 million fortune 1984 (Apple Computer). Drastic fall in Apple Computer stock reduces Jobs' personal shares, sale proceeds, to just over $100 million. *(See also Armas Clifford Markkula Jr., below.)*

Kavadas, Kathryn Bancroft. Newton, Mass. 33. Estimated $150 million fortune 1984 (inheritance). *(See sister Bettina Bancroft, above.)*

Landegger, Carl Clement. NYC. 55. Estimated $150 million fortune 1984 (Parsons & Whittemore). Low pulp prices, subsidized imports of Canadian wood depress value of company. With brother George Francis *(see family and below)* shares joint estimated net worth of $250 million.

Landegger, George Francis. London, Paris, et al. 48. Estimated $150 million fortune 1984 (pulp manufacturing). *(See brother Carl, above.)*

Loeb, John Langeloth. NYC. 82. Estimated $150 million fortune 1984 (financier). Believed to have taken bath in Dome Petroleum.

Mandel, Jack N. Shaker Heights, Ohio. 73. Estimated $150 million fortune 1984 (Premier Industrial Corp.). With decline in Premier stock, fortune down over $60 million. Shares with brothers *(see family and below)* stock worth some $260 million.

Mandel, Joseph C. Lyndhurst, Ohio. 71. Estimated $150 million fortune 1984 (Premier Industrial Corp.). *(See brother Jack, above.)*

Mandel, Morton Leon. Shaker Heights, Ohio. 64. Estimated $150 million fortune 1984 (Premier Industrial Corp.). *(See brother Jack, above.)*

Manges, Clinton. Freer, Tex. 62. Estimated $325 million fortune 1984 (oil, land). Deals to sell oil reserves have fallen through. Major cash flow problems put fortune in jeopardy.

Markkula, Armas Clifford Jr. Woodside, Calif. 43. Estimated $160 million fortune 1984 (Apple Computer). Price collapse, capital gains taxes on sales of Apple Computer stock put Markkula below the minimum.

Murchison, Clint William Jr. Dallas. 62. Estimated $250 million fortune 1984 (oil, investments). Huge debt, complicated by failing health, settlement of brother's estate and business downturns, led to collapse of broad financial empire. Now in Chapter 11.

Posner, Victor. Miami Beach. 67. Estimated $250 million fortune 1984 (financier). Though he has paid himself with grotesque abundance as vast industrial interests have crumbled, net worth appears to have dropped under $150 million.

Robins, Edwin Claiborne. Richmond, Va. 75. Estimated $150 million fortune 1984 (A.H. Robins Co.). Family's 38% of stock has fallen to half of 1984 value with A.H. Robins in Chapter 11 because of litigation concerning Dalkon Shield birth control device. His stock recently worth $75 million.

Stark, Ray. Holmby Hills, Calif. 68. Estimated $175 million fortune 1984. Earlier estimates of holdings probably were slightly overstated. Apparent worth now about $150 million.

Thompson, B. Ray. Knoxville, Tenn. 78. Estimated $160 million fortune 1984 (coal). Shares of Sun Co. stock down, recently worth $147 million; not enough to merit inclusion.

Zimmerman, William. Huntington Beach, Calif. 65. Estimated $170 million fortune 1984 (Pic 'n' Save). Presumed capital gains taxes on recent sales of Pic 'n' Save stock would put Zimmerman below minimum.

Left behind:

Block, Paul Jr. Toledo, Ohio. 74. Estimated $150 million fortune 1984 (publishing). Surpassed by other Four Hundred members in better publishing climates. With brother William *(see family and below)* shares joint net worth of $300 million.

Block, William. Pittsburgh. 70. Estimated $150 million fortune 1984 (publishing). *(See brother Paul, above.)*

Davis, William Selden. Fort Worth. 49. Estimated $150 million fortune 1984 (inheritance). Business separate from troubled brothers *(see above)*, but soft oil interests surpassed by The Forbes Four Hundred.

Doubleday, Nelson Jr. Locust Valley, NY. 52. Estimated $150 million fortune 1984 (publishing). Reports of weakening profitability at Doubleday & Co., stricter cutoff take him off list this year.

Farb, Harold. Houston. 62. Estimated $150 million fortune 1984 (real estate). Continuing Houston real estate slump makes Farb's equity value unclear. Fortune surpassed by stronger entries at the cutoff.

Ford, Kenneth W. Roseburg, Ore. 77. Estimated $150 million fortune 1984 (timber). Declining timberland prices, overhang of too-high bids on government contracts in better times, take him off the list this year.

Dropouts

Fuqua, John Brooks. Atlanta. 67. Estimated $150 million fortune 1984 (Fuqua Industries, stock, real estate, oil and gas). Visible fortune surpassed by stronger Four Hundred members.

Galbreath, Daniel Mauck. Columbus, Ohio. 57. Estimated $150 million fortune 1984 (real estate, sports). Apparent fortune seems no longer sufficient for The Forbes Four Hundred. With father *(see family and below)* shares joint net worth estimated at $300 million. Their last-place Pittsburgh baseball Pirates, losing some $6 million a year, recently sold for $22 million.

Galbreath, John Wilmer. Columbus, Ohio. 88. Estimated $150 million fortune 1984 (real estate, sports). *(See Daniel Mauck Galbreath, above.)*

Harriman, William Averell. Middleburg, Va. 93. Estimated $150 million fortune 1984 (inheritance). Declining oil prices and uncertainty about Harriman's stock portfolio push him off the list this year.

Kieckhefer, Robert Hazelwood. Prescott, Ariz. 67. Estimated $150 million fortune 1984 (containers, investments). His Weyerhaeuser stock worth over $100 million, but known other interests no longer justify inclusion among The Four Hundred.

Massey, Jack Carroll. Nashville, Tenn. 81. Estimated $150 million fortune 1984 (entrepreneur). Evidence of Massey's investments—much well hidden—does not justify raising his net worth.

Mosbacher, Robert Adam. Houston. 58. Estimated $150 million fortune 1984 (oil). Decline in oil values has weakened standing compared with other members of The Four Hundred.

Ono, Yoko. NYC. 52. Estimated $150 million fortune 1984 (inheritance). No signs of substantial business activity and much charity suggest little or no increase.

Riklis, Meshulam. NYC. 61. Estimated $150 million fortune 1984 (Rapid-American Corp.). Full ownership of Rapid-American makes Riklis worth perhaps $150 million, but company's high debt renders estimates shaky.

Shelton, Robert. Kerrville, Tex. 49. Estimated $150 million fortune 1984 (ranching). Value of visible assets appears to have been surpassed by The Forbes Four Hundred.

Whitehead, Edwin Carl. Greenwich, Conn. 66. Estimated $150 million fortune 1984 (medical instruments). Generous philanthropy appears to hold fortune below current level of The Forbes Four Hundred.

Williams, Clayton Wheat. Midland, Tex. 53. Estimated $150 million fortune 1984 (oil, real estate). Declining oil values, weak real estate market in Midland make it unlikely his fortune merits inclusion in The Forbes Four Hundred.

Realigned:

Appleton, Arthur Ivar. Chicago. 69. Estimated $200 million fortune 1984 (electronics). New evidence indicates that at least half the Emerson Electric stock he received when he sold his company belongs entirely to his children, not subject to his influence or control.

Farish, William Stamps III. Versailles, Ky. 46. Estimated $150 million fortune 1984 (inheritance, investments). New evidence indicates some inherited Exxon stock formerly attributed to him actually in hands of other family members.

Hilton, William Barron. Los Angeles. 57. Estimated $260 million fortune 1984 (Hilton Hotels). His claim to more than 6 million Hilton shares disputed in court by trustees of father's foundation. Until settled, his outright holdings under $150 million.

Manoogian, Alex. Taylor, Mich. 84. Estimated $160 million fortune 1984 (Masco Corp.). About one-third of stock attributed to Alex reassigned to very active son, Richard. Alex' stock worth about $120 million; Richard's shares, with other holdings, also worth about $120 million.

Morgan, Mary Clark Rockefeller. NYC. 47. Shared fortune estimated at $600 million 1984 with 3 siblings, Nelson A. Rockefeller's children from first marriage. Family trusts apparently are shared by all 6 of Nelson's children, including 2 by second marriage; values not high enough to warrant inclusion of all 6 as individuals *(see below; see also Heirs of Nelson A. Rockefeller.)*

Roberts, Ann Clark Rockefeller. NYC. 51. Shared fortune estimated at $600 million 1984 with 3 siblings. *(See sister Mary Morgan, above.)*

Rockefeller, Rodman Clark. NYC. 53. Shared fortune estimated at $600 million 1984 with 3 siblings. *(See sister Mary Morgan, above.)*

Rockefeller, Steven Clark. Middlebury, Vt. 49. Shared fortune estimated at $600 million 1984 with 3 siblings. *(See sister Mary Morgan, above.)*

Rosenberg, Henry A. Jr. Baltimore. 55. Estimated $250 million fortune 1984 (oil, real estate, other). Divorce records indicate Rosenberg controls less, other family members more, of family's $900 million holding company than previously believed. *(See mother Ruth Rosenberg, cousins Morton Blaustein, Louis Thalheimer.)*

Trump, Fred Charles. NYC. 79. Estimated $200 million fortune 1984 (real estate). Although he still manages outer-borough residential properties, full control apparently belongs to flamboyant son, Donald *(which see).*

Removed:

Deak, Nicholas Louis. Scarsdale, N.Y. 79. Estimated $400 million fortune 1984 (Deak-Perera currency exchange firm), based on outside estimates believed to be reliable. Holding company Deak & Co. and international operations now in Chapter 11 following federal charges of money-laundering; underlying assets clearly less than earlier thought.

Steinberg, Saul Phillip. NYC. 46. Estimated $400 million fortune 1984 (financier). High debt load from leveraged buyout of outside Reliance Insurance stockholders, negative cash flow, goodwill item exceeding shareholders' equity make true worth of fortune uncertain.

Terra, Daniel James. Chicago. 74. Estimated $170 million fortune 1984. Uncertain value of substantial art holdings pushes him off The Forbes Four Hundred.

Vesco, Robert Lee. Havana, Cuba. 50. Estimated $150 million fortune 1984 (fugitive, looted European mutual fund empire). Recent press reports of poverty and house arrest by Castro create doubts about previous wealth estimates.

Vose, Charles Alden Sr. Oklahoma City. 84. Estimated $300 million fortune shared with son 1984. Research 1985 failed to uncover sufficient verification *(see below).*

Vose, Charles Alden Jr. Oklahoma City. 41. Estimated 1984 fortune of $300 million shared with father *(see above).*

Near Misses

401, 402, 403...

The individuals listed below just missed The Forbes Four Hundred this year. Perhaps next year, with a little more luck and pluck, they will make the cut.

James Haller Ottaway Sr.
Newspapers. Campbell Hall, NY. 74. Married; 2 sons, 1 daughter. Father cofounder of Michigan daily. James grew up at paper. "We considered ourselves lackeys. We did everything." Editor high school, college papers. At latter married features editor. Together bought central New York semiweekly 1936 with savings, bank loan. Turned into daily a year later; acquired profitable chain of small to midsize respected papers. Dow Jones acquired chain—9 dailies, 3 Sunday papers—1970 for $37 million in stock. Three small radio stations sold to employees at book, "kind of a thank-you." Ottaway division now includes 22 dailies, 3 Sundays. James Sr. helps out on acquisition; James Jr. CEO, vp Dow Jones. His Dow Jones stake alone worth $147 million.

Arthur Edward Imperatore
Trucking, real estate. Fort Lee, N.J. 60. Married; 2 children, one stepchild. One of 10 children; with 4 brothers, 2 army-surplus trucks, started APA Transport 1947. Bought out brothers; now has double industry profit margins, revenues $125 million. Stresses employee efficiency, strict inspection. Competitor: "Teamsters give him what others must fight to get." Industry saying: Imperatore's trucks never hijacked. Rewards loyalty generously: Chartered *QE2* for employee cruise to nowhere. Also 367 acres Hudson River N.J. waterfront property. Ambitious dream: "Venice on the Hudson" city of 30,000, ferry lines to Manhattan. With 94% APA, etc., net worth approaches $150 million.

Leonard Abramson
U.S. Health Care Systems, Inc. Blue Bell, Pa. 52. Married, 3 daughters. Cantor's son. Sold drugs for Parke-Davis; quit to open own pharmacy, other business ventures. Inspiration: HMOs where doctors keep private offices, work for flat fee. Result: overhead slashed, doctors encouraged to save. Borrowed $375,000 to begin U.S. Health Care Systems 1981. Took public 1983; now employs 900 doctors in Pa., N.J., Fla., Ill. 1984 sales, $199 million; AT&T, Burroughs are customers. Banned smoking in all facilities: "It dawned on us we better start practicing what we're preaching." With stock recently trading at 50 P/E, worth over $140 million.

James Elsworth Davis
Winn-Dixie Stores, Inc. Jacksonville, Fla. 78. Married, 2 children. Retired in 1983 as chairman Winn-Dixie, was one of 4 sons of William Davis, who founded chain 1925; now 4th-largest, stores throughout Sunbelt. High margins, no unions. Took company public 1940, family kept 38% stock *(see Davis family)*, James has 8.6%. Also chairman American Heritage Life Insurance, cofounded 1956, still has 15.5% stock. *Miami Herald* named Davis one of Florida's 10 most powerful men 1977. Net worth from stock holdings $140 million.

Berry Gordy Jr.
Motown Records. Los Angeles. 59. Twice divorced; 6 children. High school dropout; featherweight boxer. After Army opened record store 1953, bankrupt 1955. Briefly Ford assembly line; borrowed $700 from family, founded Motown Records 1959. First million-seller: "Please, Mr. Postman." Since, over 100 No. 1 hits. Thrived on rhythm and blues "Detroit sound." Taught hitmaking techniques in own school (students included Diana Ross, Stevie Wonder, Marvin Gaye, Michael Jackson). Moved to Los Angeles, started film business early 1970s. Motown revenues now over $135 million. "I'm as excited now as I was in the beginning." With copyrights, music publishing, films, net worth at least $135 million.

Herbert Simon
Shopping centers. Indianapolis. 50. Divorced, remarried; 5 children. Born NYC to garment district tailor. "Herb" grew up in the Bronx. Served briefly in the Army reserve; was recalled during Berlin crisis as medic. Joined brother Melvin *(which see)* in Melvin Simon & Associates 1959; now one of biggest builders: over 135 shopping centers in 23 states, owns/manages over 90 (over 50 million square feet). Co-owns Indiana basketball Pacers; avid reader. His 33% interest Melvin Simon & Associates worth nearly $135 million.

Charles Francis Dolan
Cable television. Oyster Bay, NY. 59. Married, 6 children. Persuaded Cleveland paper to run weekly Boy Scout column for $2/week at 15. With wife, ran sports newsreel business, wrote commercials, scripts for radio in tiny apartment. To New York 1952; in industrial film business before breakthrough 1960: wired news service into NYC hotel TVs. Landed downtown Manhattan cable franchise 1965; paid heavy costs via limited partnerships. Created Home Box Office, sold to Time Inc. 1973. Cablevision Systems Corp. now nation's largest privately held cable company (over 550,000 subscribers). "Chuck" now avid yachtsman. His equity Cablevision worth at least $130 million.

Acknowledgments

When someone is worth more than $150 million, it is likely there is someone else who knows it. The editors gratefully acknowledge here publications and sources, nationwide, that have contributed to their research. In addition, our thanks to the many more—bankers, lawyers, former executives, financial advisers and the like—who insisted on anonymity. In some cases, their help was the most essential of all.

Advertising Age magazine, Chicago
Sharon Armbrust, media analyst, Paul Kagan & Associates, Carmel, Calif.
Marvin Arth, national editor, American City Business Journals, Kansas City, Mo.
Fernand Audette, publisher, *Florida Horse*, Ocala, Fla.
Brux Austin, editor-in-chief, *Texas Business* magazine, Dallas
Donald Bauder, business editor, *San Diego Union*
Paul A. Baumgarten, entertainment lawyer, Rosenman Colin Freund Lewis & Cohen, NYC
Scott Bennett, columnist, *Texas Business* magazine, Dallas
Dick Blackburn and James Blackburn Jr., media brokers and consultants, Blackburn & Co., Washington, D.C.
Tom Boone, business editor, *Dallas Times Herald*
Michael Braude, president, Kansas City Board of Trade
Broadcasting/Cable Yearbook, Washington, D.C.
R.W. Byram & Co., oil publications, Austin, Tex.
A. Craig Copetas, author, *Metal Men: Marc Rich and the 10-Billion-Dollar Scam*, Putnam
Corporate Report Kansas City magazine
Jim Craig, editor-in-chief, *Colorado Business* magazine, Denver
Rick Davis, publisher, *Aloha* and *RSVP* magazines, Honolulu
Delaware Today magazine
David Dodson, editor, *Business Report*, Baton Rouge, La.
Editor & Publisher Yearbook, NYC
The Foundation Directory, The Foundation Center, NYC
The Gallagher Report, NYC
Philip Gialanella, publisher, *Honolulu Star-Bulletin*
Philip Godfrey, vice president, Bear, Stearns, San Francisco
Ted Hepburn, media broker and consultant, Cincinnati
Lee Isgur, entertainment analyst, Paine Webber, NYC
Charles Kadlec, media consultant, Frazier, Gross & Kadlec, Inc., Washington, D.C.
Leroy Keller, newspaper consultant, NYC
Jim Kobak, magazine consultant, Darien, Conn.
Dick Krisler, media broker and consultant, Cincinnati
Alison Langley, Baltimore *News-American*
Douglas Manship, publisher, Baton Rouge *Advocate/State Times*
Chuck McCoy, president, Louisiana National Bank, Baton Rouge, La.
John Morton, media analyst, Lynch, Jones & Ryan, Washington, D.C.
Ken Noble, publishing analyst, Paine Webber, NYC
Gary O'Neill, general counsel, L.S. Womack, Baton Rouge, La.
Clay Pritchett, senior vice president, Landauer Associates, NYC
John Reidy, analyst, Drexel Burnham Lambert, NYC
Gerald Reilly, media consultant, Greenwich, Conn.
Mark Riely, media analyst, F. Eberstadt & Co., NYC
Gary Boyd Roberts, New England Historical Genealogical Society, Boston
Peter Rosenthal, senior vp, Howard J. Rubenstein Associates, NYC
Dan Rottenberg, editor, *Welcomemat* magazine, Philadelphia
"The Roundtable" (journalists' hangout), Columbia Inn, Honolulu
Howard Rubenstein, Howard J. Rubenstein Associates, NYC
Sal Ruibal, editor, *Rocky Mountain Business Journal*, Denver
Arthur Rutledge, president, Hawaii Teamsters and Allied Workers Union
St. Louis magazine
Paul Schlesinger, analyst, Donaldson, Lufkin & Jenrette, NYC
Jeremy Shamos, media consultant and attorney, Denver
Spectrum 5, Computer Directions Advisors, Inc., NYC
Standard & Poor's Corp., NYC
Howard Stark, media broker and consultant, NYC
Vicki Stavig, associate editor, *Corporate Report Minnesota* magazine
Jerry Steinman, Beer Marketers Insights, West Nyack, N.Y.
Jim Sylvester, staff writer, *Honolulu Star-Bulletin*
Thoroughbred Magazine, Lexington, Ky.
Value Line
Adam White, editor, *Billboard* magazine, NYC

Newspaper Libraries:

Baton Rouge *Advocate/State Times*
Dallas Morning News
Dallas Times Herald
Denver Post
Honolulu Star-Bulletin
Houston Chronicle
Houston Post
Kansas City Star
Kansas City Times
Midland (Tex.) *Reporter-Telegram*
Pittsburgh Press
Rocky Mountain News
St. Louis Post-Dispatch
Wilmington, Del. *News Journal*

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	Page	Residence	Age	Worth ($ mil)	Primary sources
Adams, Kenneth Stanley (Bud) Jr.	230	Houston	62	160	Oil
Albertson, Joseph A.	218	Boise, Idaho	79	170	Albertson's, Inc.
Alkek, Albert B.	168	Victoria, Tex.	74	275	Oil
Allbritton, Joe Lewis	140	Houston; Washington, D.C.	60	450	Broadcasting, banking
Allen, Charles Jr.	208	NYC	82	183*	Stock market, real estate
Allen, Herbert	208	NYC	77	183*	Stock market, real estate
Allen, Herbert Anthony	208	NYC	45	183*	Stock market, real estate
Anderson, Robert Orville	200	Roswell, N.M.	68	200	Oil, land
Annenberg, Walter Hubert	121	Wynnewood, Pa.; California	77	875	Publishing
Anschutz, Philip F.	120	Denver	45	950	Oil, investments
Ansin, Edmund Newton	190	North Miami	49	200†	Broadcasting
Anthony, Barbara Cox	120	Honolulu	62	950*	Inheritance (Cox Enterprises)
Appleton, Arthur Ivar ●	310	Chicago	69	—	Electronics
Arison, Ted	162	Miami Beach	61	300	Shipping
Arnow, Robert H. ☆	236	NYC	61	150*	Real estate
Autry, Orvon Gene	236	Los Angeles, Palm Springs	78	150	Broadcasting, real estate
Avery, Alice O'Neill	169	West Los Angeles	68	250*	Inheritance (real estate)
Bainum, Stewart Sr. ★	182	Silver Spring, Md.	66	230†	Manor Care, Inc., real estate
Bancroft family	270	NYC origin	—	520	Inheritance (Dow Jones)
Bancroft, Bettina ●	306	Los Angeles	44	—	Inheritance (Dow Jones)
Bancroft, Christopher ●	306	Denton, Tex.	34	—	Inheritance (Dow Jones)
Bancroft, Hugh III ●	306	Newport Beach, Calif.	36	—	Inheritance (Dow Jones)
Bass, Edward Perry	126	Fort Worth	40	600*	Oil, investments
Bass, Lee Marshall	126	Fort Worth	29	600*	Oil, investments
Bass, Perry Richardson	126	Fort Worth	70	600*	Oil, investments
Bass, Robert Muse	126	Fort Worth	37	600*	Oil, investments
Bass, Sid Richardson	126	Fort Worth	42	600*	Oil, investments
Batten, Frank	234	Virginia Beach, Va.	58	150	Publishing, broadcasting
Beal, Carlton	164	Midland, Tex.	69	300	Oil
Bechtel, Stephen Davison Jr.	134	San Francisco	60	500*	Engineering, construction
Bechtel, Stephen Davison Sr.	134	Oakland	85	500*	Engineering, construction
Belfer, Arthur Bejer	136	NYC	78	475†	Oil, real estate
Belk family	270	Charlotte, N.C.	—	300	Inheritance, retailing
Belz family	270	Memphis	—	250	Real estate
Benenson, Charles B.	192	NYC	72	200	Real estate
Bennett, William Gordon ★	185	Las Vegas	60	215	Circus Circus Enterprises
Bernhard, Arnold	168	Westport, Conn.	83	265	Value Line, Inc.
Berrie, Russell ★	208	Englewood, N.J.	51	180	Russ Berrie & Co.
Berry, Jack Monteith Sr.	178	Winter Haven, Fla.	68	250	Citrus grower
Berry, John William	162	Dayton, Ohio	62	300†	Yellow Pages
Bettingen, Burton Green	182	Beverly Hills	70s	230*	Inheritance (oil)
Binger, Virginia McKnight	226	Wayzata, Minn.; Florida	69	160	Inheritance (3M)
Blaustein, Morton K.	140	Baltimore	58	450†	Inheritance (oil)
Block family	270	Pittsburgh; Toledo, Ohio	—	300	Publishing
Block, Paul Jr. ●	306	Toledo, Ohio	74	—	Publishing
Block, William ●	306	Pittsburgh	70	—	Publishing
Bluhm, Neil Gary ★	163	Winnetka, Ill.	47	300*	Real estate
Boesky, Ivan Frederick	230	NYC, Mt. Kisco, N.Y.	48	150	Arbitrager
Borg, Malcolm Austin	172	Englewood, Spring Lake, N.J.	47	250†	Publishing, TV, inheritance
Bredin, Octavia Mary du Pont	232	Greenville, Del.	72	150*	Inheritance (Du Pont Co.)
Bren, Donald Leroy	128	Newport Beach, Calif.; NYC	53	525	Real estate
Bright, Harvey R. (Bum) ☆	140	Dallas	63	475	Oil, trucking, real estate
Briscoe, Dolph Jr.	200	Uvalde, Tex.	62	200	Rancher
Bronfman, Edgar Miles	122	NYC	56	665	Seagram Co.
Brown family	270	Louisville	—	430	Inheritance (Brown-Forman)
Brown, Jack	140	Midland, Tex.	59	450*	Oil, investments
Buck family	270	California, et al.	—	325	Inheritance (oil)
Buffett, Warren Edward	118	Omaha	55	1,000	Stock market
Bullitt, Dorothy Stimson	164	Seattle	93	275†	Broadcasting
Busch, August Anheuser Jr.	127	St. Louis	86	575	Anheuser-Busch
Cabot family	272	Boston area	—	315	Inheritance (Cabot Corp.)

★New entry ☆Returnee ● Dropout *Assuming equal shares in common fortune †Family fortune individually allocated

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	Page	Residence	Age	Worth ($ mil)	Primary sources
Campbell family	272	Hawaii, et al.	—	300	Real estate
Cargill, James R.	172	Minneapolis	62	250*	Inheritance (Cargill, Inc.)
Cargill, Margaret	172	La Jolla, Calif.	65	250*	Inheritance (Cargill, Inc.)
Cargill/MacMillan family	272	Minneapolis	—	1,700	Inheritance (Cargill, Inc.)
Carlson, Curtis Leroy	122	Minneapolis	71	700	Entrepreneur
Carpenter, Ben H.	178	Dallas	61	250	Southland Financial Corp.
Carpenter, Robert Ruliph Jr.	194	Montchanin, Del.	70	200*	Inheritance (Du Pont Co.)
Carpenter, William Kemble	194	Boca Raton	66	200*	Inheritance (Du Pont Co.)
Caruth, William Walter Jr.	127	Dallas	73	600	Real estate
Chambers, Anne Cox	120	Atlanta	65	950*	Inheritance (Cox Enterprises)
Chandler family	272	Los Angeles, et al.	—	880	Inheritance (Times Mirror Co.)
Chandler, Harrison Gray ●	304	Arcadia, Calif.	dec.	—	Inheritance (Times Mirror Co.)
Clark, A. James ★	225	Bethesda, Md.	58	165	Construction, real estate
Cohen, Edward Baron	225	NYC, Southampton, N.Y.	65	165*	Real estate
Cohen, Sherman	225	NYC; Greenwich, Conn.	62	165*	Real estate
Cohn, Seymour	164	NYC, Upper Brookville, N.Y.	74	275	Real estate
Colket, Tristam C. Jr.	136	Paoli, Pa.	47	150	Inheritance (Campbell Soup)
Collier, Miles	178	Naples, Fla.	38	250	Inheritance, investments
Connell, Grover	216	Westfield, N.J.	67	175	Food
Conover, Catherine Mellon	230	Washington, D.C.; Idaho	49	150*	Inheritance
Cook, Jane Bancroft	132	Cohasset, Mass.; Sarasota, Fla.	73	525	Inheritance (Dow Jones)
Cooke, Jack Kent	126	Middleburg, Va.	72	600	Real estate, investments
Cooke, Phoebe Hearst ☆	158	Woodside, Calif.	58	150	Inheritance, media
Coors family	272	Golden, Colo., et al.	—	560	Inheritance (Adolph Coors Co.)
Copeland, Gerret van Sweringen ★	232	Wilmington, Del.	40s	150*	Inheritance (Du Pont Co.)
Copeland, Lammot du Pont Jr. ★	232	Wilmington, Del.	52	150*	Inheritance (Du Pont Co.)
Copeland, Pamela Cunningham ★	232	Greenville, Del.	70s	150*	Inheritance (Du Pont. Co.)
Copley, Helen Kinney	156	La Jolla, Calif.	62	335	Publishing
Cowles, Gardner family	272	Des Moines; Minneapolis, et al.	—	425	Inheritance, media
Cowles, William family	276	Spokane	—	250	Inheritance (media, real estate)
Cox, Edwin Lochridge	152	Dallas	63	350	Oil
Cox, John Lee	164	Midland, Tex.	60	300	Oil
Cox, William Coburn Jr.	168	London; Nantucket, Mass.	54	265*	Inheritance (Dow Jones)
Crain, Gertrude ★	202	Lake Forest, Ill.	68	200†	Publishing
Crow, Trammell	128	Dallas	71	550	Real estate
Crown, Henry	128	Chicago	89	550*	Industrialist
Crown, Lester	128	Chicago	60	550*	Industrialist
Cullen family	276	Houston	—	1,750	Inheritance (oil)
Cummings, Nathan ●	304	NYC	dec.	—	Industrialist
Danner, Raymond L. ★	218	Nashville	60	175	Shoney's
Darden, Constance Simons du Pont	232	Norfolk, Va.	81	150*	Inheritance (Du Pont Co.)
Davidowitz, Joseph Morton	202	Lawrence, N.Y.	56	200	Stock market
Davidson, William Morse	182	Detroit (Bloomfield Hills)	62	240	Guardian Industries Corp.
Davis family	276	Jacksonville, Fla., et al.	—	600	Winn-Dixie
Davis, Kenneth William Jr. ●	306	Fort Worth	59	—	Inheritance, oil
Davis, Leonard	183	Palm Beach; NYC	61	230	Colonial Penn Group
Davis, Marvin	118	Denver; Beverly Hills	60	1,000	Oil, entertainment, real estate
Davis, Thomas Cullen ●	306	Fort Worth	51	—	Inheritance, oil
Davis, William Selden ●	306	Fort Worth	49	—	Inheritance (oil)
Day, Willametta Keck	169	Reno, Nev.	69	160	Superior Oil Co.
Dayton family	278	Minneapolis	—	825	Inheritance (Dayton-Hudson)
Dayton, Alida Rockefeller	185	Minneapolis	36	200*	Inheritance
de Menil, Dominique	199	Houston	77	200	Inheritance, art
de Young family	278	San Francisco, et al.	—	450	Inheritance (publishing)
Deak, Nicholas Louis ●	310	Scarsdale, N.Y.	79	—	Banking
DeBartolo, Edward John	127	Youngstown, Ohio	67	600	Shopping centers
Dedman, Robert H. ★	194	Dallas	59	200	Country clubs
Dempsey, John Cornelius	183	Delaware, Ohio	71	220	Bulk containers
DeVos, Richard Marvin	202	Ada, Mich.	59	200*	Amway Corp.
Dikeou family	278	Denver; Orlando, Fla.	—	250	Inheritance, real estate
Dillon, Clarence Douglas	232	Far Hills, N.J.	76	150	Investments

★New entry. ☆Returnee. ● Dropout. *Assuming equal shares in common fortune. †Family fortune individually allocated.

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DiLorenzo family	278	NYC	—	400	Inheritance (real estate)
Dinner, Richard ☆	236	San Francisco	64	150*	Real estate
Disney family	278	Los Angeles area	—	250	Inheritance, Walt Disney Prod.
Disney, Roy Edward	169	Los Angeles	55	255	Walt Disney Productions
Dixon, Fitz Eugene Jr.	230	Lafayette Hill, Pa.	62	150	Inheritance
Dixon, Suzanne Searle	182	Lake Forest, Ill.	54	243*	Inheritance (G.D. Searle)
Donaldson, Evelyn du Pont ☆	194	Clark, Wyo.	59	200*	Inheritance (Du Pont Co.)
Donnelley family	278	Chicago, et al.	—	700	Inheritance (printing)
Dorrance, John Thompson Jr.	136	Gladwyne, Pa.	66	475	Inheritance (Campbell Soup)
Doubleday, Nelson Jr. ●	306	Locust Valley, N.Y.	52	—	Publishing
Draper, Irene Carpenter	194	Montchanin, Del.	74	200*	Inheritance (Du Pont Co.)
Dreiseszun, Sherman W. ★	230	Kansas City, Mo.	61	150*	Real estate, banks
du Pont family	280	Delaware, et al.	—	10,000	Inheritance (Du Pont Co.)
du Pont, Alexis Felix Jr.	164	Wilmington, Del.	79	275*	Inheritance (Du Pont Co.)
du Pont, Edward Bradford ★	232	Wilmington, Del.	51	150*	Inheritance (Du Pont Co.)
du Pont, Helena Allaire Crozer	164	Chesapeake City, Md.	72	275*	Inheritance (Du Pont Co.)
du Pont, Henry Eleuthère Irénée ★	194	Wilmington, Del.	57	200*	Inheritance (Du Pont Co.)
du Pont, Irénée Jr.	232	Montchanin, Del	65	150*	Inheritance (Du Pont Co.)
du Pont, Joan Wheeler ★	232	Southport, Conn.	49	150*	Inheritance (Du Pont Co.)
du Pont, John Eleuthère ☆	194	Newtown Square, Pa.	46	200*	inheritance (Du Pont Co.)
du Pont, Pierre Samuel III	169	Rockland, Del.	74	250*	Inheritance (Du Pont Co.)
du Pont, Willis Harrington	169	Palm Beach	49	250*	Inheritance (Du Pont Co.)
Duemling, Louisa Copeland ★	232	Washington, D.C.	49	150*	inheritance (Du Pont Co.)
Duke, Doris	172	Somerville, N.J.	72	250	Inheritance
Durst, David	208	Chappaqua, N.Y.	60	183*	Real estate
Durst, Roy	208	Scarsdale, N.Y.	66	183*	Real estate
Durst, Seymour	208	NYC	72	183*	Real estate
Durwood, Stanley Hugh ★	225	Kansas City, Mo.	65	165	AMC Entertainment
Dyson, Charles Henry	134	NYC	76	500†	Conglomerator
Ellis, Alpheus Lee	192	Tarpon Springs, Fla.	79	200	Banking, real estate
Engelhard, Jane B.	148	Far Hills, N.J.	67	365	Inheritance (Engelhard Minerals)
Evans, James Emmett	199	Dade City, Fla.	85	200	Citrus grower
Evans, Thomas Mellon	192	NYC	75	200	Investments
Farb, Harold ●	306	Houston	62	—	Real estate
Farish, William Stamps III ●	310	Versailles, Ky.	46	—	Inheritance, investments
Farley, William Francis	178	Chicago	42	250	Leveraged buyouts
Faulkner, Mary Belin du Pont	169	Brookline, Mass.	78	250*	Inheritance (Du Pont Co.)
Ferry, Sandra (Rockefeller)	185	Cambridge, Mass.	50	200*	Inheritance
Fetzer, John Earl	225	Kalamazoo, Mich.	84	160	Broadcasting
Fickling, William A. Jr.	168	Macon, Ga.	52	265	Charter Medical Corp.
Field, Frederick Woodruff	152	Los Angeles	32	275	Inheritance, media
Field, Marshall V	152	Chicago	44	350	Inheritance, media
Fisher family (Detroit)	280	Detroit area; Palm Beach	—	300	Inheritance (Fisher Body)
Fisher family (Seattle)	280	Seattle area	—	300	Investments
Fisher, Larry	158	NYC	76	300*	Real estate
Fisher, Max Martin	183	Detroit; NYC; Palm Beach	77	225	Oil
Fisher, Zachary	158	NYC	75	300*	Real estate
Flint, Lucile Evelina du Pont	232	Greenville, Del.	70	150*	Inheritance (Du Pont Co.)
Forbes, Malcolm Stevenson	136	Far Hills, N.J.	66	(p.136)	Publishing
Ford, Henry II	158	Palm Beach	68	225	Inheritance (Ford Motor Co.)
Ford, Josephine Clay	158	Grosse Pointe, Mich.	62	170	Inheritance (Ford Motor Co.)
Ford, Kenneth W. ●	306	Roseburg, Ore.	77	—	Timber
Ford, William Clay	158	Grosse Pointe Shores, Mich.	60	300	Inheritance (Ford Motor Co.)
Frankino, Samuel Joseph ★	230	West Palm Beach	61	160	Agency Rent-A-Car
Fribourg, Michel	122	NYC	72	700	Grain trader
Frick, Helen Clay ●	304	Pittsburgh	dec.	—	Inheritance
Fuqua, John Brooks ●	310	Atlanta	67	—	Entrepreneur
Galbreath family	280	Columbus, Ohio	—	300	Real estate
Galbreath, Daniel Mauck ●	310	Columbus, Ohio	57	—	Real estate
Galbreath, John Wilmer ●	310	Columbus, Ohio	88	—	Real estate

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	Page	Residence	Age	Worth ($ mil)	Primary sources
Galesi, Francesco	200	NYC	54	200	Real estate
Gallo, Ernest	158	Modesto, Calif.	76	300*	Wine
Gallo, Julio	158	Modesto, Calif.	75	300*	Wine
Galvin, Robert William	158	Barrington, Ill.	63	300†	Motorola
Garvey family	280	Wichita, et al.	—	400	Inheritance
Gates, Charles Cassius	178	Denver	64	250	Gates Corp.
Gaylord, Edward Lewis	126	Oklahoma City	66	600†	Broadcasting, publishing
Getty, Eugene "Jean" Paul ★	230	London	52	150	Inheritance (oil)
Getty, Gordon Peter	120	San Francisco	51	950†	Inheritance (oil)
Gilmore, James Stanley Jr.	226	Kalamazoo, Mich.	59	160	Broadcasting, investments
Goldman, Alfred Dreyfus	190	Oklahoma City; Honolulu	47	200*	Inheritance, real estate
Goldman, Monte Henry	190	Oklahoma City; Honolulu	50	200*	Inheritance, real estate
Goldman, Sol	140	NYC	68	450	Real estate
Gottwald family	280	Richmond, Va., et al.	—	260	Inheritance (Ethyl Corp.)
Graham, Katharine	150	Washington, D.C.	68	350†	Washington Post Co.
Green, Dorothy	182	Beverly Hills	70s	230*	Inheritance (oil)
Green, Pincus ★	202	Zug, Switzerland	51	200	Oil trader
Greenberg, Maurice Raymond ☆	226	NYC	60	160	American International Group, Inc.
Greenewalt, Margaretta Lammot du Pont	232	Greenville, Del.	83	150*	Inheritance (Du Pont Co.)
Griffin, Ben Hill Jr.	199	Avon Park, Fla.	74	200	Citrus grower
Groves, Franklin Nelson ☆	226	Wayzata, Minn.	54	160	Construction, Thoroughbreds
Guccione, Robert Charles	184	NYC	54	220	Publishing
Gund family	282	Cleveland origin	—	500	Inheritance
Haas family	282	San Francisco	—	775	Inheritance (Levi Strauss & Co.)
Hahn, Ernest Walter	192	Rancho Santa Fe, Calif.	66	200	Shopping centers
Hall, Donald Joyce	122	Mission Hills, Kans.	57	760†	Hallmark Cards
Hall, Evelyn Annenberg ☆	121	Palm Beach	73	180	Inheritance (publishing)
Hamilton, Dorrance Hill	136	Strafford, Pa.	57	185	Inheritance (Campbell Soup)
Hammer, Armand	236	Los Angeles; NYC; Moscow	87	150	Entrepreneur
Hamon, Jake Louis Jr. ●	304	Dallas	dec.	—	Oil and gas
Hanson, John Kendrick ●	306	Forest City, Iowa	72	—	Winnebago Industries
Harbert, John Murdoch III	127	Birmingham, Ala.	63	600	Construction
Hardesty, Floyd Roger	212	Tulsa	47	180	Construction
Harriman, William Averell ●	310	Middleburg, Va.	93	—	Inheritance
Haupt, Enid Annenberg ☆	121	NYC	79	180	Inheritance (publishing)
Hazen, Lita Annenberg ☆	121	NYC; LA	75	180	Inheritance (publishing)
Hearst, David Whitmire	158	Beverly Hills	69	300	Inheritance, media
Hearst, George Randolph Jr. ☆	158	Los Angeles	58	150	Inheritance, media
Hearst, Randolph Apperson	158	Hillsboro, Paso Robles, Calif.	69	300	Inheritance, media
Hearst, William Randolph Jr.	158	NYC	77	300	Inheritance, media
Heinz, Henry John II	183	Pittsburgh	77	220	H.J. Heinz Co.
Heinz, Henry John III ★	183	Washington, D.C.	47	220	H.J. Heinz Co.
Helmsley, Harry Brakmann	116	NYC	76	1,000	Real estate
Hendrix, Helen Hunt	190	NYC	36	200*	Inheritance, oil, real estate
Hess, Leon	148	NYC; Deal, N.J.	70	360	Amerada Hess Corp.
Hewlett, William Redington	121	Portola Valley, Calif.	72	780	Hewlett-Packard
Hill, Margaret Hunt	115	Dallas	70	1,400†	Inheritance (oil)
Hillenbrand family	282	Batesville, Ind., et al.	—	315	Inheritance, Hillenbrand Industries
Hillman, Henry Lea	116	Pittsburgh	66	1,000	Industrialist
Hilton, William Barron ●	310	Los Angeles	57	—	Hilton Hotels
Hines, Gerald Douglas	163	Houston	60	300	Real estate
Hobby, Oveta Culp	144	Houston	80	400†	Broadcasting
Hoiles family	282	California	—	450	Inheritance (publishing)
Hooker, Jeanette Annenberg ☆	121	NYC; Palm Beach	80	180	Inheritance (publishing)
Houghton family	282	Corning, N.Y.	—	300	Inheritance (Corning Glass)
Howard, Robert Staples	172	Rancho Santa Fe, Calif.	60	250	Publishing
Hubbard, Stanley Stub	206	St. Mary's Point, Minn.	52	195†	Broadcasting
Huffington, Roy Michael	163	Houston	67	300	Oil
Hulman, Mary Fendrich ★	234	Terre Haute, Ind.	80	150†	Inheritance
Hunt, Lamar	132	Dallas	53	500†	Inheritance, oil, sports
Hunt, Nelson Bunker	120	Dallas	59	900†	Inheritance, oil, real estate
Hunt, Ray Lee	190	Dallas	42	200*	Inheritance, oil, real estate

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Hunt, Ruth June	190	Dallas	41	200*	Inheritance, oil, real estate
Hunt, Ruth Ray	190	Dallas	68	200*	Inheritance, oil, real estate
Hunt, Swanee	190	Denver	35	200*	Inheritance, oil, real estate
Hunt, William Herbert	121	Dallas	56	800†	Inheritance, oil
Hwang, Kyupin Philip ●	306	Los Altos Hills, Calif.	48	—	TeleVideo Systems
Jaeger, James Leroy ★	216	Cincinnati	37	175	Cincinnati Microwave
Jobs, Steven Paul ●	306	Los Gatos, Calif.	30	—	Apple Computer
Johnson, Belton Kleberg	232	San Antonio; La Pryor, Tex.	55	150	Ranching
Johnson, Edward C. III ★	212	Boston	55	180	Investment management
Johnson, John Harold	226	Chicago; Palm Springs	67	160	Publishing
Johnson, Samuel Curtis	126	Racine, Wis.	57	600	Johnson Wax
Kalikow, Peter Stephen	144	NYC	42	375	Real estate
Kalmanovitz, Paul	174	Tiburon, Calif.	79	250	Beer, real estate
Kaskel, Howard	172	NYC	48	250	Real estate
Kauffman, Ewing Marion	206	Kansas City, Mo.	69	190	Marion Laboratories
Kavadas, Kathryn Bancroft ●	306	Newton, Mass.	33	—	Inheritance (Dow Jones)
Keck, Howard Brighton	169	Los Angeles	72	260	Superior Oil Co.
Keck, William Myron II	169	Los Angeles	43	180	Superior Oil Co.
Keinath, Pauline MacMillan	223	Unknown	51	167*	Inheritance (Cargill, Inc.)
Kelley family	282	Honolulu	—	250	Real estate
Kelly, William Russell ★	168	Troy, Mich.	79	270	Kelly Services
Kennedy family	284	Boston origin	—	550	Inheritance
Kerkorian, Kirk	140	Los Angeles; Las Vegas	68	450	Trading, investments
Kieckhefer, Robert Hazelwood ●	310	Prescott, Ariz.	67	—	Containers, investments
Kleberg family	284	King Ranch, Tex.	—	750	Inheritance (King Ranch)
Kluge, John Werner	116	Charlottesville, Va.; NYC	71	1,000	Metromedia
Knight, James Landon	183	Miami	76	220	Knight-Ridder Newspapers, Inc.
Knight, Philip Hampson	206	Beaverton, Ore.	47	195	Nike, Inc.

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Koch, Charles de Ganahl	134	Wichita, Kans.	49	500	Oil
Koch, David Hamilton	134	NYC	45	500	Oil
Koch, Frederick Robinson	134	NYC	52	350	Oil
Koch, William Ingraham	134	Boston	45	500	Oil
Kozmetsky, George	216	Austin, Tex.	67	175	Teledyne
Krehbiel, John H. Sr.	156	Downers Grove, Ill.	79	315†	Molex Inc.
Kroc, Joan Beverly	132	La Jolla, Calif.	57	525	Inheritance (McDonald's)
Laird family	284	Delaware	—	400	Inheritance (Du Pont Co.)
Landegger family	284	NYC; London, et al.	—	250	Industrialists
Landegger, Carl Clement ●	306	NYC	55	—	Industrialist
Landegger, George Francis ●	306	London; Paris, et al.	48	—	Industrialist
Lauder, Esteé	182	NYC, the Hamptons	70s	233*	Cosmetics
Lauder, Leonard Alan	182	NYC, the Hamptons	51	233*	Cosmetics
Lauder, Ronald Steven	182	NYC, the Hamptons	41	233*	Cosmetics
Lawrence family	284	NYC area	—	275	Inheritance
Lawrence, M. Larry	212	San Diego	59	180	Real estate
Lear, Norman Milton ★	216	Los Angeles	63	175	Television
LeFrak, Samuel Jayson	121	NYC	67	800	Real estate
Levine, Leon	156	Charlotte, N.C.	48	315	Family Dollar Stores
Lilly family	284	Indianapolis, et al.	—	620	Inheritance (Eli Lilly & Co.)
Lindner, Carl Henry II	163	Cincinnati	66	300	Insurance, banking
Litwin, Leonard	199	NYC	60s	200	Real estate
Loeb, John Langeloth ●	306	NYC	82	—	Financier
Louis, John Jeffry Jr.	148	Winnetka, Ill.	60	370	Inheritance (Johnson Wax)
Ludwig, Daniel Keith	134	NYC	88	500	Shipping, real estate
Lunger, Mary Jane du Pont☆	194	Wilmington, Del.; NYC	71	200	Inheritance (Du Pont Co.)
Lupton, John Thomas	148	Chattanooga, Tenn.	59	360	Coca-Cola bottler
Lurie, Robert Alfred	200	San Francisco	56	200	Inheritance, real estate
Lykes family	284	Florida	—	1,100	Inheritance, shipping, real estate

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MacElree, Jane Cox	168	Newtown Square, Pa.	56	265*	Inheritance (Dow Jones)
Mack family	286	NYC, Great Neck, N.Y.	—	250	Inheritance (real estate)
MacMillan, Cargill Jr.	223	Minneapolis	58	167*	Inheritance (Cargill, Inc.)
MacMillan, John Hugh III	223	Fort Lauderdale	57	167*	Inheritance (Cargill, Inc.)
MacMillan, Whitney	223	Minneapolis	56	167*	Inheritance (Cargill, Inc.)
MacMillan, W. Duncan	223	Wayzata, Minn.	55	167*	Inheritance (Cargill, Inc.)
Magness, Bob John ★	218	Denver	61	170	Cable TV
Malkin, Judd David ★	163	Winnetka, Ill.	47	300*	Real estate
Mandel family	286	Shaker Heights, Ohio, et al.	—	260	Premier Industrial Corp.
Mandel, Jack N. ●	306	Shaker Heights, Ohio	73	—	Premier Industrial Corp.
Mandel, Joseph C. ●	306	Lyndhurst, Ohio	71	—	Premier Industrial Corp.
Mandel, Morton Leon ●	306	Shaker Heights, Ohio	64	—	Premier Industrial Corp.
Manges, Clinton ●	306	Freer, Tex.	62	—	Oil, land
Manoogian, Alex ●	310	Taylor, Mich.	84	—	Masco Corp.
Markkula, Armas Clifford Jr. ●	306	Woodside, Calif.	43	—	Apple Computer
Marriott family	286	Washington, D.C.	—	530	Marriott Corp.
Mars, Forrest Edward Jr.	120	McLean, Va.	54	875*	Candy
Mars, Forrest Edward Sr.	120	Las Vegas	81	875*	Candy
Mars, John Franklyn	120	Arlington, Va.	50	875*	Candy
Marx, Leonard	163	Scarsdale, N.Y.	81	300	Real estate
Massey, Jack Carroll ●	310	Nashville	81	—	Entrepreneur
May, Cordelia Scaife	144	Ligonier, Pa.	57	400	Inheritance
May, Irene Sophie du Pont	232	Wilmington, Del.	84	150*	Inheritance (Du Pont Co.)
McClatchy family	290	Sacramento, Calif., et al.	—	375	Inheritance (publishing)
McDonnell family	290	St. Louis	—	260	Inheritance (McDonnell Douglas)
McGovern, Patrick Joseph	172	Nashua, N.H.	48	250	Publishing
McGraw family	290	NYC area, et al.	—	450	Inheritance (McGraw-Hill)
McLean, Malcom Purcell	148	NYC	71	360	McLean Industries
McLendon, Gordon Barton	199	Lake Dallas, Tex.	64	200	Entrepreneur
Mellon, Paul	126	Upperville, Va.	78	600	Inheritance
Mellon, Richard Prosser	223	Ligonier, Pa.	46	167*	Inheritance
Mellon, Seward Prosser	223	Ligonier, Pa.	43	167*	Inheritance
Mellon, Timothy	230	Manchester, N.H. area	43	150*	Inheritance
Mendik, Bernard H.	212	NYC	56	180	Real estate
Meyer, August Christopher	190	Champaign, Ill.	84	200†	Broadcasting
Milbury, Cassandra Mellon	223	Ligonier, Pa.	45	167*	Inheritance
Millard, William H.	136	Oakland	53	480	ComputerLand
Milliken, Gerrish Hill	142	Greenwich, Conn.; NYC	68	300	Textiles
Milliken, Minot King	142	NYC	69	150	Textiles
Milliken, Roger	142	Spartanburg, S.C.	69	450	Textiles
Mills, Alice Francis du Pont	164	Middleburg, Va.	72	275*	Inheritance (Du Pont Co.)
Milstein, Paul	208	NYC, Scarsdale, N.Y.	62	187.5*	Real estate
Milstein, Seymour	208	NYC, Scarsdale, N.Y.	65	187.5*	Real estate
Mitchell, George Phydias	144	Houston	66	400	Oil, real estate
Monaghan, Thomas S.	174	Ann Arbor, Mich.	48	250	Pizza
Moncrief, William Alvin Sr.	185	Fort Worth	90	200*	Oil
Moncrief, William Alvin Jr.	185	Fort Worth	65	200*	Oil
Moody, Robert L. ★	144	Galveston, Tex.	50	425†	American National Insurance
Moore, Gordon Earle	184	Santa Clara, Calif.	56	220	Intel Corp.
Morgan, Frank Sherman ★	230	Kansas City, Mo.	58	150*	Real estate, banks
Morgan, Mary Clark Rockefeller ●	310	NYC	47	—	Inheritance
Morris, William Shivers III ★	223	Augusta, Ga.	51	170	Publishing
Mosbacher, Robert Adam ●	310	Houston	58	—	Oil
Mott family	290	Flint, Mich., et al.	—	380	Inheritance (manufacturing)
Murchison, Clint William Jr. ●	306	Dallas	62	—	Oil, investments
Murdoch, Keith Rupert ★	163	NYC	54	300	Publishing
Murdock, David H.	128	Bel Air, Calif.	62	550	Real estate, acquisitions
Murphy, Charles Haywood Jr.	230	El Dorado, Ark.	65	160	Murphy Oil Corp.
Muss, Stephen	194	Miami Beach	57	200	Real estate
Newhouse, Donald Edward	115	NYC	56	1,100*	Publishing
Newhouse, Samuel Irving Jr.	115	NYC	57	1,100*	Publishing
Nichols, Miller ★	174	Prairie Village, Kans.	74	250†	Real estate

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Nielsen, Arthur Charles Jr.	206	Winnetka, Ill.	66	190†	A.C. Nielsen Co.
Nordstrom family	290	Seattle	—	420	Inheritance (Nordstrom, Inc.)
Norris, Diana Strawbridge	136	Coatesville, Pa.; Palm Beach	44	150	Inheritance (Campbell Soup)
O'Connor family	290	Victoria, Tex.	—	750	Inheritance (ranching, banking)
O'Neill, Abby Milton Rockefeller	144	Oyster Bay, N.Y.	57	425	Inheritance
O'Neill, Richard Jerome	169	San Juan Capistrano, Calif.	62	250*	Inheritance (real estate)
Olnick, Robert	183	Palm Beach; NYC	71	225	Real estate
Olsen, Kenneth Harry	226	Lincoln, Mass.	59	160	Digital Equipment Corp.
Ono, Yoko ●	310	NYC	52	—	Inheritance
Ordway family	292	St. Paul origin	—	400	Inheritance (3M)
Packard, David	114	Los Altos Hills, Calif.	73	1,500	Hewlett-Packard
Palevsky, Max	200	Beverly Hills	61	200	Computers
Paley, William S.	164	NYC, Southampton, N.Y.	84	290	CBS, Inc.
Park, Roy Hampton	156	Ithaca, N.Y.	75	350	Park Communications
Parker, Jack	162	NYC; Boca Raton, Fla.	70	300	Real estate
Paulson, Allen E.	152	Savannah, Ga.	63	350	Gulfstream Aerospace Corp.
Paulucci, Luigino Francesco	148	Sanford, Fla.; Duluth, Minn.	67	350†	Food processing, real estate
Payson, Charles Shipman ●	304	Portland, Me.	dec.	—	Industrialist, inheritance
Pearson, Edith du Pont	169	Montchanin, Del.	72	250*	Inheritance (Du Pont Co.)
Pennington, Claude B.	126	Baton Rouge, La.	84	600	Oil, gas
Pennington, William Norman ★	185	Reno	62	215	Circus Circus Enterprises
Perenchio, Andrew Jerrold ★	216	Los Angeles	55	175	Television
Perot, Henry Ross	114	Dallas	55	1,800	Electronic data management
Petersen, Robert Einar	200	Beverly Hills	59	200	Publishing
Petrie, Milton	127	NYC, Southampton, N.Y.	83	585	Petrie Stores
Pew family	292	Philadelphia origin	—	325	Inheritance (Sun Co.)
Phipps family	293	Pittsburgh origin	—	1,800	Inheritance
Phipps, Howard Jr.	208	Westbury, N.Y.	51	187.5*	Inheritance
Pictet, Marion MacMillan	223	Geneva, Switzerland	52	167*	Inheritance (Cargill, Inc.)
Pigott family	293	Seattle	—	300	Inheritance (Paccar Inc.)
Pitcairn family	293	Bryn Athyn, Pa., et al.	—	500	Inheritance
Pohlad, Carl R.	144	Minneapolis	70	400	MEI Corp., banks
Pope, Generoso Paul Jr.	234	Manalapan, Fla.	58	150	Publishing
Posner, Victor ●	306	Miami Beach	67	—	Financier
Price, Sol	194	La Jolla, Calif.	69	200	Price Co.
Pritzker, Abram Nicholas	132	Chicago area	89	500*	Financier
Pritzker, Jay Arthur	132	Chicago area	63	500*	Financier
Pritzker, Robert Alan	132	Chicago area	59	500*	Financier
Pulitzer family	294	St. Louis, et al.	—	475	Inheritance (publishing)
Rains, Liliore Green	182	Beverly Hills	70s	230*	Inheritance (oil)
Redstone, Sumner Murray ☆	156	Newton Centre, Mass.	62	340	Movie theaters, investments
Reed family	294	Seattle, et al.	—	300	Inheritance (timber)
Resnick family	294	NYC, Rye, N.Y.	—	250	Real estate
Reynolds, Donald Worthington	150	Fort Smith, Ark.	79	350	Publishing
Rich, Marc	202	Zug, Switzerland	51	200	Oil trader
Rich, Robert Sr.	152	Buffalo, N.Y.	72	350†	Food products
Richardson family	294	N.C.; Conn., et al.	—	550	Inheritance (pharmaceuticals)
Riklis, Meshulam ●	310	NYC	61	—	Rapid-American Corp.
Rinker, Marshall Edison (Doc)	156	Palm Beach	80	315	Cement
Roberts, Ann Clark Rockefeller ●	310	NYC	51	—	Inheritance
Robins, Edwin Claiborne ●	306	Richmond, Va.	75	—	A.H. Robins Co.
Rockefeller, David	115	NYC, Tarrytown, N.Y.	70	1,000	Inheritance, banking, real estate
Rockefeller, Hope Aldrich	185	Woodstock, Vt.	46	200*	Inheritance
Rockefeller, John Davison IV	185	Washington, D.C.	48	200*	Inheritance
Rockefeller, Laurance Spelman	121	NYC, Tarrytown, N.Y.	75	800	Inheritance, investments
Rockefeller, Nelson family	294	NYC, et al.	—	770	Inheritance
Rockefeller, Rodman Clark ●	310	NYC	53	—	Inheritance
Rockefeller, Steven Clark ●	310	Middlebury, Vt.	49	—	Inheritance
Rockefeller, William family	294	Greenwich, Conn., et al.	—	300	Inheritance
Rockefeller, Winthrop Paul	122	Winrock Farm, Ark.	37	750	Inheritance

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Rollins, Orville Wayne	134	Atlanta	73	500	Entrepreneur
Root, Chapman Shaw	200	Ormond Beach, Fla.	60	200	Coca-Cola bottler
Rose family	296	NYC	—	250	Real estate
Rosenberg, Henry A. Jr. ●	310	Baltimore	55	—	Inheritance (oil)
Rosenberg, Ruth Blaustein	140	Baltimore	86	225†	Inheritance (oil)
Rosenwald family	296	Philadelphia area; NYC, et al.	—	300	Inheritance
Ross, Wilhelmina du Pont ☆	232	Montchanin, Del.	78	150	Inheritance (Du Pont Co.)
Roush family	296	Akron, Ohio origin	—	260	Inheritance (Roadway Express)
Rudin, Jack	148	NYC	61	350*	Real estate
Rudin, Lewis	148	NYC	58	350*	Real estate
Rust, Eleanor Francis du Pont	232	Thomasville, Ga.	78	150*	Inheritance (Du Pont Co.)
Ryan, Patrick George ★	212	Chicago	48	180	Insurance
Sackler, Arthur Mitchell ★	212	NYC	72	175	Medicine, business, art
Scaife, Richard Mellon	134	Pittsburgh	53	500	Inheritance, publishing
Scharbauer, Clarence Jr.	199	Midland, Tex.	60	200†	Inheritance (oil, land)
Schnitzer family	296	Portland, Ore.; Palm Springs	—	250	Shipping, steel, real estate
Schoellkopf, Caroline Rose Hunt	115	Dallas	62	1,300†	Inheritance (oil), real estate
Scripps (E.W.) family	296	Cincinnati origin	—	1,000	Inheritance (media)
Scripps (J.E.) family	296	Detroit; La Jolla, Calif., et al.	—	717	Inheritance (media)
Scripps, Edward Wyllis	226	Charlottesville, Va.	76	160	Publishing
Scully family	296	Dwight, Buffalo, Ill., et al.		250	Inheritance (oil, land)
Searle, Daniel Crow	182	Winnetka, Ill.	59	243*	Inheritance (G.D. Searle)
Searle, William Louis	182	Lake Forest, Ill.	57	243*	Inheritance (G.D. Searle)
Shakarian, David B. ●	306	Pittsburgh; Bal Harbour, Fla.	dec.	—	General Nutrition Corp.
Shapiro family	298	Boston origin	—	350	Inheritance (Maryland Cup Corp.)
Sharp, Bayard	183	Centreville, Del.; Florida	72	225*	Inheritance (Du Pont Co.)
Sharp, Hugh Rodney Jr.	183	Wilmington, Del.; Florida	75	225*	Inheritance (Du Pont Co.)
Sharp, Peter	169	NYC	55	250	Real estate
Sheehan, Jean Ellen du Pont ☆	194	Coral Gables, Fla.	62	200*	Inheritance (Du Pont Co.)
Shelton, Robert ●	310	Kerrville, Tex.	49	—	Ranching
Shoen, Leonard Samuel	162	Las Vegas; Scottsdale, Ariz.	69	300†	U-Haul
Shorenstein, Walter Herbert	163	San Francisco	70	300	Real estate
Sidamon-Eristoff, Anne Phipps	208	NYC	53	187.5*	Inheritance
Silliman, Mariana du Pont	232	Montchanin, Del.	74	150*	Inheritance (Du Pont Co.)
Silverstein, Larry Abraham	212	NYC	54	180	Real estate
Simmons, Harold C.	192	Dallas	54	200	Investments
Simon, Esther Annenberg ☆	121	NYC	83	180	Inheritance (publishing)
Simon, Melvin	178	Indianapolis	58	250	Shopping centers
Simon, Norton Winfred	192	Los Angeles area	78	200	Industrialist, art
Simplot, Jack Richard	128	Boise, Idaho	76	550	Potatoes, cattle, semiconductors
Simpson, Abby Rockefeller	185	NYC	28	200*	Inheritance
Singleton, Henry Earl	144	Los Angeles	68	400	Teledyne
Skaggs, Leonard Samuel	152	Salt Lake City	62	350	American Stores
Smart, Richard Palmer Kaleioku ★	216	Honolulu, Waimea, Hawaii	72	175	Inheritance, ranching
Smith family	298	Chicago origin	—	260	Inheritance (Illinois Tool Works)
Smith, Athalie Irvine	206	Middleburg, Va.; California	52	190	Inheritance, lawsuits
Smith, Frederick Wallace	185	Memphis	41	210	Federal Express Corp.
Smith, Margaret Lewis du Pont ★	232	Paoli, Pa.	65	150*	Inheritance (Du Pont Co.)
Smith, Marian Uldine Day ★	184	Atlanta	51	220†	Inheritance (Days Inns)
Smith, Richard Alan	169	Chestnut Hill, Mass.	61	255†	General Cinema Corp.
Smith, Vivian Leatherberry	169	Houston	77	250	Inheritance (oil, real estate)
Solow, Sheldon	172	NYC	50	250	Real estate
Sorenson, James LeVoy	202	Salt Lake City	64	200	Medical devices
Sowell, Anne Windfohr	199	Fort Worth, Tex	46	200	Inheritance (ranching, oil)
Spanos, Alex Gus	192	Stockton, Calif.	62	200	Real estate
Stahl, Stanley	172	NYC	61	250	Real estate
Stark, Ray ●	306	Holmby Hills, Calif.	68	—	Film production, securities
Steinberg, Saul Phillip ●	310	NYC	46	—	Financier
Stephens, Jackson Thomas	142	Little Rock, Ark.	63	430*	Investment banking, oil and gas
Stephens, Wilton Robert	142	Little Rock, Ark.	77	430*	Investment banking, oil and gas
Stern, Leonard Norman	128	NYC	47	550	Pet supplies, real estate
Strawbridge, George Jr.	136	West Chester, Pa.	46	150	Inheritance (Campbell Soup)

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	Page	Residence	Age	Worth ($ mil)	Primary sources
Stroh family	298	Detroit	—	300	Inheritance (beer)
Stuart, Dwight Lyman	190	Beverly Hills	61	200*	Inheritance (Carnation Co.)
Stuart, Elbridge Hadley Jr.	190	Bellevue, Idaho	68	200*	Inheritance (Carnation Co.)
Sulzberger family	298	NYC	—	450	Inheritance (New York Times Co.)
Swig, Melvyn ☆	236	San Francisco	68	150*	Real estate
Swig, Richard ☆	236	San Francisco	60	150*	Real estate
Syms, Sy	192	Lyndhurst, N.J.	59	200	Syms Corp.
Taper, Sydney Mark	163	Los Angeles	83	300	First Charter Financial Corp
Tauber, Laszlo Nandor	162	Potomac, Md.	70	300	Real estate
Taubman, A. Alfred	127	Bloomfield Hills, Mich.	60	600	Real estate, art
Temple family	298	Diboll, Tex., et al.	—	550	Inheritance (timber, Time Inc.)
Terra, Daniel James ●	310	Chicago	74	—	Lawter International
Thalheimer, Louis ★	140	Baltimore	41	225†	Inheritance (oil)
Thompson, B. Ray ●	306	Knoxville, Tenn.	78	—	Coal
Thorn, Laura Simpson	185	Bedford Hills, N.Y.	31	200*	Inheritance
Thorne, Oakleigh Blakeman	156	Millbrook, N.Y.	53	340†	Commerce Clearing House
Tisch, Laurence Alan	121	NYC, Rye, N.Y.	62	850*	Loews Corp.
Tisch, Preston Robert	121	NYC, Harrison, N.Y.	59	850*	Loews Corp.
Trump, Donald John	127	NYC	39	600	Real estate
Trump, Fred Charles ●	310	NYC	79	—	Real estate
Turner, Robert Edward III	164	Roswell, Ga.	46	300	Turner Broadcasting System
Ueltschi, Albert Lee	185	Greenwich, Conn.	68	215	FlightSafety International
Uihlein family	298	Milwaukee, et al.	—	350	Inheritance (beer)
Upjohn family	302	Kalamazoo, Mich.	—	1,000	Inheritance (Upjohn Co.)
Van Andel, Jay	202	Ada, Mich.	61	200*	Amway Corp.
van Beuren, Hope Hill	136	Middletown, R.I.	51	160	Inheritance (Campbell Soup)
Vesco, Robert Lee ●	310	Havana, Cuba	50	—	Fugitive
Vollum, Howard	206	Portland, Ore.	72	190	Tektronix, Inc.
von Platen, Ruth Chandler	223	San Marino, Calif.	88	165	Inheritance (Times Mirror Co.)
Vose, Charles Alden Jr. ●	310	Oklahoma City	41	—	Banking
Vose, Charles Alden Sr. ●	310	Oklahoma City	84	—	Banking
Wagner, Cyril Jr.	140	Midland, Tex.	51	450*	Oil, investments
Walton, Sam Moore	114	Bentonville, Ark.	67	2,800†	Wal-Mart Stores
Wang, An	122	Lincoln, Mass.	65	715†	Wang Laboratories
Ward, Louis Larrick	168	Kansas City, Mo.	65	270	Russell Stover Candies, Inc.
Wasserman, Lew R.	183	Beverly Hills, Palm Springs	72	220	MCA, Inc.
Weber, Charlotte Colket	136	Ocala, Fla.	40s	150	Inheritance (Campbell Soup)
Weiler, Alan ☆	236	NYC	51	150*	Real estate
Weiler, Jack D. ☆	236	NYC	81	150*	Real estate
Weinberg, Harry	128	Honolulu; Baltimore	77	550	Real estate, securities
Weis, Robert Freeman	152	Sunbury, Pa.	66	285	Weis Markets, Inc.
Weis, Sigfried	152	Lewisburg, Pa.	69	350	Weis Markets, Inc.
Wexner, Leslie Herbert	118	Columbus, Ohio	48	1,000	The Limited, Inc.
Weyerhaeuser family	302	St. Paul; Seattle, et al.	—	620	Inheritance (Weyerhaeuser Co.)
Whitehead, Edwin Carl ●	310	Greenwich, Conn.	66	—	Medical instruments
Whitney, Betsey Cushing Roosevelt	168	Manhasset, N.Y.	77	275	Inheritance
Whittier family	302	Southern Calif.	—	600	Inheritance (oil)
Wien, Lawrence Arthur	234	NYC	80	150	Real estate, law
Williams, Clayton Wheat ●	310	Midland, Tex.	53	—	Oil, real estate
Williams, Max ★	216	Dallas	47	175	Oil, real estate
Wirtz family	302	Chicago	—	350	Inheritance (real estate, sports)
Wolfe family	302	Columbus, Ohio; Calif.	—	300	Inheritance (media, banking)
Woodruff, Robert Winship ●	306	Atlanta	dec.	—	Coca-Cola
Ziff, William Bernard Jr.	122	NYC	54	650	Publishing
Zilkha, Ezra Khedouri	234	NYC	60	150	Investments
Zimmerman, William ●	306	Huntington Beach, Calif.	65	—	Pic 'n' Save
Zuckerman, Mortimer Benjamin	194	NYC; Boston; Wash., D.C.	48	200	Real estate, publishing

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